



Washington State
Employment Security Department
John Spellman, Governor
Norward Brooks, Commissioner

prepared by the
Research & Analysis Branch
Olympia, WA 98504
(206) 753-5142

in cooperation with the
Bureau of Labor Statistics
and the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 9, Number 10

October
~~August~~, 1984

HIGHLIGHTS

The jobless rate in Washington State fell to 8.4 percent of the civilian labor force in September. The measure has not been this low since November 1980, shortly before the recession took hold. The drop between August and September was 0.4 of a percentage point, about average for this time of year.

With the notable exception of aerospace, the employment in durable goods manufacturing continued to decline in the state. Lumber and wood products, shipbuilding and aluminum, suffering from foreign competition and poor market conditions, among other ills, lost jobs again during September.

Layoffs announced by The Weyerhaeuser Company will cut deeply into timber payrolls before the end of 1984, adding to usual winter cutbacks in sawmill and logging operations. The layoffs will affect about 700 workers in Raymond, Everett, and Enumclaw. A bill signed by the President, allowing timber companies to buy back unprofitable Federal timber cutting contracts at a discount, will preempt some additional closures in the industry.

	Sept. 1984*	Aug. 1984*	Sept. 1983
Civilian Labor Force	2,071,000	2,079,900	2,083,800
Total State Employment	1,897,900	1,895,900	1,890,200
Total Unemployment	173,100	184,000	193,600
State Unemployment Rate	8.4	8.8	9.3
National Civilian Unemployment Rate	7.1	7.3	8.8

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more nearly comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for Federal program purposes.

Planned workforce reductions by two major Puget Sound Shipyards will idle another 1,000 workers in the next two to three months. Company officials blamed the layoffs on a drought in new military contracts, which they attribute to "high labor costs" in the region compared to companies on the Gulf Coast.

A recent rise in aluminum prices and re-opening of an ALCOA potline in Vancouver may signal a halt to further job losses in the primary metals sector. Martin-Marietta, which recently sold its ingot processing plant in Goldendale, Washington to an Australian company, is one of several major producers to sustain losses in a market saturated by cheap foreign imports.

Termination of temporary government jobs at parks, forests, play-grounds, and in summer youth work-experience programs were more than balanced by the return of 17,200 public education employees as schools re-opened in September. Altogether, government payrolls jumped by 11,000 during the month.

Another hefty boost in aerospace employment (+1,100) and seasonal gains in food processing (+1,000), wholesale and retail trade (+3,600), construction (+1,100) and service industries (+2,700) helped produce a net gain in total employment of about 2,000 during September. In the jobless category, about 11,000 fewer people were classified as "unemployed" during September. Many of these were young people who left the labor force when school resumed in September.

With the exception of food processing, where gains were 70 percent below the typical September rise, the seasonal jumps were not unusual. The rise in construction payrolls, however, was surprisingly strong in light of mortgage rates that are still well above 12 percent, the level that would presumably revive a sluggish residential housing market. A "boomlet" in September construction nationwide, brought-on by a small drop in mortgage rates, may have also contributed to construction employment in the state.

Nationally, data reported in September prompted some forecasts of a "growth recession", a period signified by less than three percent annual growth in Gross National Product (GNP) and small rises in the jobless rate. Revised third quarter figures placed GNP growth at an annual rate of 2.7 percent, well below the nine percent rate for the first half of 1984.

The Department of Commerce's Index of Leading Economic Indicators rose in September by 0.4 percent; but a revision to the August figure showed the Index falling, rather than rising 0.5 percent, as first reported. The August dip was the third straight monthly decline in the Index, which is supposed to forecast turns in the economy six to nine months ahead of time.

While the national economy is unmistakably slowing, a recession does not seem in the offing. The unemployment rate nationally fell 0.2 of a percentage point, from 7.3 percent in August to 7.1 percent September, accompanied by a rise in personal income and consumer spending. After a hiatus in the summer, consumers are again active. This, in turn, should reactivate production, which had also slowed in response to declines in consumption.

The general slowdown in economic activity and low inflation enabled the prime lending rate to fall for the third time in three months, which should keep business investments and consumer purchases of "big ticket" items on track. Falling oil prices and the failure of oil exporting countries to curtail production in recent months is a positive sign for interest rates.

Moderation in interest rates and continued strength in business spending is helping the state partake more fully in the national recovery. As shown in chart #3, the gap between the state and national unemployment rates narrowed in the third quarter. In September, the difference was only 1.3 percentage points. (Monthly data in this chart has been seasonally adjusted and aggregated into quarters to smooth-out volatile monthly swings.)

STATE UNEMPLOYMENT RATE

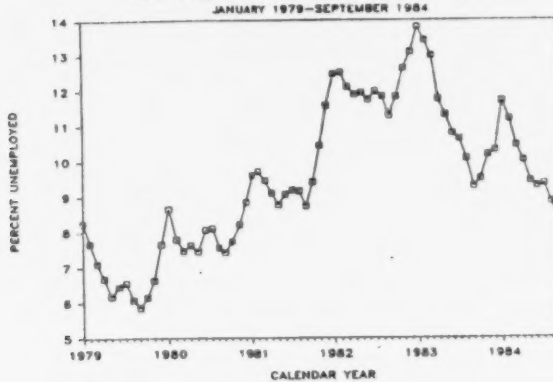


CHART 1

State Jobless Rate
Lowest Since November, 1980.

STATE TOTAL EMPLOYMENT

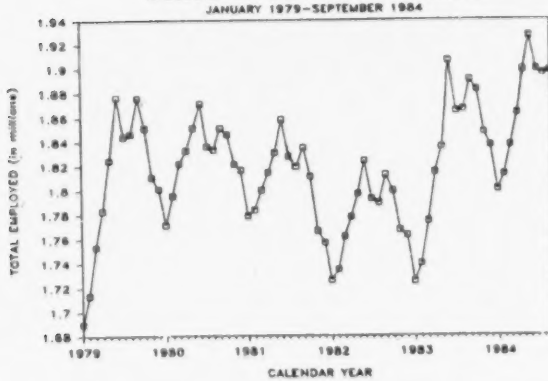


CHART 2

Total Employment Holds
Steady in September.

TOTAL UNEMPLOYMENT RATE
(WASH. & U.S., SEASONALLY ADJUSTED)

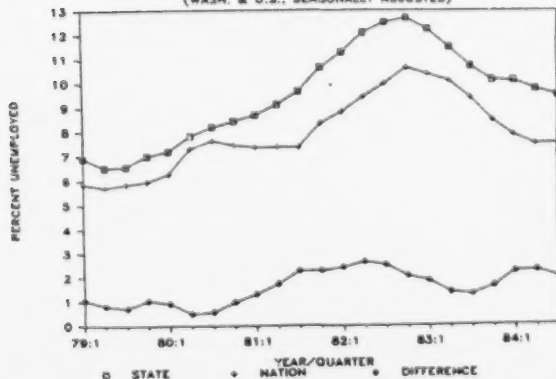


CHART 3

Gap Between State and National
Unemployment Rate Narrows
In Third Quarter.

MANUFACTURING INDUSTRIES

A healthy jump in aerospace payrolls and layoffs in shipbuilding and lumber again highlighted monthly developments in manufacturing. Federal timber "buy-back" legislation signed by the President will prevent some further closures of sawmill and logging operations in the region. In non-durables manufacturing, an abnormally low seasonal rise in food processing payrolls highlighted September developments. Since March, nearly 13,000 jobs have been added in the state's manufacturing sector with aerospace accounting for more than 5,000.

Durable Goods Industries

State Recovery Uneven

The contrasting picture in aerospace and timber explains the unevenness of the statewide recovery. The Seattle-Everett labor area, which was ranked sixth in economic health by a recent Federal study of local economies, continues to ride the good fortunes of aerospace. Meanwhile, logging and milling communities are still in deep recession. Pacific, Lewis, Skamania, Grays Harbor, and Okanogan, each heavily dependent on lumber and wood products, still suffer from double-digit unemployment rates. The search is on in these communities for new business and industry, with tourism the focus of attention in counties along the Columbia River.

In the last several weeks, Weyerhaeuser laid off hundreds of workers at mills in Raymond and Everett, and closed extensive logging operations in Pacific County. Indefinite closings at Everett (220), Raymond (340) and Pe Ell (160), cap several months of steady erosion. An announced layoff of 140 workers at the White River Sawmill in Enumclaw was averted when union officials reached a last minute cost cutting agreement with Weyerhaeuser. The workforce however, will still be reduced by 25 percent. September 1984 payrolls in the industry are nearly 2,000 below last year.

Weyerhaeuser: Layoffs in Washington, An office in China, and a Plant in North Carolina

On the heels of announced closures in the state, Weyerhaeuser said it will open an office in China as a means of increasing its exports of linerboard, pulp, and logs. Weyerhaeuser's 1984 sales to China will total about \$100 million. While this has positive implications for workers in Washington State, another Weyerhaeuser announcement--that it will open a strandboard plant in North Carolina--exemplifies the plight of the local wood products industry. Access to faster growing southern pine, the proximity of heavy population centers, and cheaper labor have dramatically increased the Southern and Mid-Western share of the national lumber and wood products market.

A recent pick-up in housing starts, and final passage of a bill to relieve companies from full responsibility for unprofitable Federal timber cutting contracts will hold down additional failures in lumber and wood products. The roots of the industry's decline are so deep, however, that these developments will not spark a genuine revival.

A recent upturn in aluminum orders and a rise in ingot prices nationally may signal an end to cutbacks in production and employment in primary metals. The long-term job outlook in the industry, however, remains cloudy as cheaper foreign imports and overproduction by developing nations still make it difficult for American firms to operate profitably.

Goldendale Aluminum Plant Sold to Australian Company

Martin-Marietta, the sixth largest domestic aluminum producer, is withdrawing from the business and selling most of its operations to Australia's Comalco Ltd. Jobs at Martin-Marietta's Goldendale, Washington plant appear secure. According to press reports, Comalco plans to use the 185,000 ton smelter in eastern Washington to process aluminum ingot for its modern, profitable rolling mill in Kentucky. Over the past year, total employment in Washington State's aluminum production sector has slipped by 200.

More Layoffs In Shipbuilding as Navy Contracts Evaporate

The recent pick-up in aluminum orders may signal a halt to layoffs in the industry; but a similar ray of hope is not on the horizon for shipbuilding. The "other transportation" category, which includes shipbuilding, fell by another 100 jobs in September, partially offsetting the sizeable gain posted by aerospace in the transportation equipment sector.

Unfilled Orders Up At Boeing

Puget Sound shipyards announced intentions to lay-off an additional 1,000 workers in the next two to three months. Officials of the companies say that a halt in new orders from the U.S. Navy is responsible for the cutbacks. Navy contracts have increasingly gone to firms in the Gulf Coast region, where labor costs are generally lower. Representatives of Puget Sound shipbuilding unions argue that the quality of work done by Northwest shipyards is much higher; but an increasingly cost-conscious Navy, they argue, is now less willing to pay the steeper price.

Aerospace is still carrying the state's manufacturing recovery on its shoulders. An addition of 1,100 jobs by the industry in September more than offset combined losses in lumber and wood products (-400), aluminum (-100) and "other transportation equipment", including shipbuilding (-100). The net gain among durable goods manufacturers in September was 800 jobs. The coming year also looks bright for aerospace. At the end of September the Boeing Company had \$22 billion worth of unfilled orders, compared to \$18 billion at the end of 1983. The dollar value of new orders, however, has decreased to \$5.24 billion this year, compared to \$6.4 billion at the same time in 1983.

Nationally, durable goods orders fell 4.3 percent in September. The plunge, however, was concentrated in automobiles and defense. Orders for non-defense capital

goods rose 2.3 percent over the month. The encouraging September performance, after three successive monthly declines, reflects residual strength in capital investment. Combined with assured growth in aerospace well into 1985, the state's durable goods sector should at least preserve its over-the-year gain of 11,000 jobs.

Gap Narrows Between State and National Recovery

Considering the special problems faced by lumber, shipbuilding, and primary metals in the Northwest region, this has been a respectable comeback for durable goods employment. Since August 1983, employment in the sector has increased by about eight percent nationally, compared to five percent in the state. Since March, however, this gap has been closing, with jobs in durables rising by about three percent for both the state and nation. The convergence of national and state growth rates in durable goods employment--which usually happens in the late stages of recovery--has helped narrow the gap between the state and national unemployment rates.

Nondurable Goods Industries

A seasonal gain of 1,000 workers in food processing was the major development in the nondurable goods sector during September. Jobs in this industry usually increase at this time of year when late harvested crops become available for storage, canning, or packaging. Three companies involved in the manufacture of frozen french fries added nearly 700 workers during the month.

Abnormal Shortfall in Food Processing Payrolls

Still, the September gain in food processing fell considerably short of the normal seasonal pick-up. Typically, September food processing jobs rise by 2,500 to 3,500. The reasons for the shortfall are not yet clear. A full explanation awaits October and November data on the industry. Among the possible explanations to be examined are: a shift in the timing of seasonal hiring because of a late harvest, a cutback in production due to crop loss, or a change in industry employment patterns in response to a revised unemployment insurance tax system.

Each year the "season" in food processing is slightly different. This means that a "shortfall" in one month may be balanced by a larger than expected rise in the next survey period. A genuine decline in demand or production, may have also taken place. A decline of this nature can occur when major contracts are lost or when crops are destroyed by harsh weather conditions. An unusually wet spring this year may have, indeed, retarded seasonal hiring in the industry.

**"Experience Rating"
May Affect Seasonal
Hiring Patterns**

The advent of "experience rating" is yet another possible reason for the September "shortfall" in food processing payrolls. Starting in January 1985, a company's unemployment insurance tax rate will be based on its past experiences in the labor market: an employer with a history of repeated and significant layoffs will pay a higher unemployment insurance tax. This "experience rating" system will cause some seasonal employers to "smooth-out" their production and hiring schedules, keeping as many workers employed steadily throughout the year as possible.

Industry data reported in the next two months will clarify the reasons for the apparent shortfall in food processing payrolls.

NONMANUFACTURING INDUSTRIES

A better than normal performance by the construction sector again highlighted monthly developments in non-manufacturing employment. The industry added 1,100 jobs, the highest August to September gain since the onset of the housing boom in 1977. The over-the-year gain has also been solid. Current payrolls are 4,300 higher than one year ago.

**Largest Increase In
September Construction
Payrolls Since 1977**

The enactment of tax laws making non-residential and apartment construction more profitable, vigor in commercial building, and increased spending on public works, are providing the stimulus for jobs in construction trades. Last month, a dip in mortgage rates also made a contribution. Nationally, housing starts rose 8.9 percent in September after two months of decline. Permits issued for new construction, however, dropped during the month suggesting that the upswing in housing starts will be shortlived.

The September jump in wholesale trade employment (+2,300) was normal for this time of year, as fresh fruits and vegetables became available for packing and distribution. The retail trade performance, however, was again lackluster, as jobs in the sector advanced by just 1,300 during the month. For the second straight month, the rise in retail trade payrolls failed to equal seasonal norms.

**Lull in Consumer Spending
Holds Down Growth in
Retail Trade Jobs**

A late August/early September spurt in "back-to-school" buying boosted employment in apparel and department stores. Food and beverage establishments also added workers, with the Western Washington Fair in Puyallup accounting for a major part of the September rise. The summer slowdown in consumer spending, however, held-down hiring among major retailers. A healthy September jump in retail sales across the nation and forecasts of booming holiday sales, may accelerate hiring at retail establishments in October and November.

In the government sector, the beginning of a new school year restored more than 17,000 jobs in public education. The increase was partly offset by seasonal cutbacks at parks, forests, playgrounds, and in summer work-experience programs for youth. Overall, government payrolls increased by 11,000 during September. Job growth in services during the month equalled seasonal norms. Firms providing educational services added 2,200, contributing to a net gain of 2,700 for all service industries.

National data indicate that spending and optimism among consumers turned positive again in September, after a summer lull. According to the State Department of Revenue, real personal income, which drives employment in services and trade, is expected to grow at an annual rate of about three percent in the state during the fourth quarter of 1984. Although this is down from the previous four quarters, it will be sufficient to maintain solid job growth in trade and services through at least mid-1985.

EMPLOYMENT OUTLOOK: THE NATIONAL CONTEXT

On the national level, data reported in September now point unmistakably to a slower rate of expansion in the months ahead. A revised estimate of third quarter gross national product (GNP), showed the economy growing at an annual rate of 2.7 percent, down from 10.1 percent and 7.1 percent in the first and second quarters. Slower growth, however, together with low inflation have prompted three successive monthly dips in the prime lending rate. Another drop--to 11.75 percent--is expected shortly.

Falling Oil Prices Hold Down Inflation

Weak demand and overproduction recently forced some major oil producers, including one member of the Organization of Petroleum Exporting Countries (OPEC), to cut prices by as much as two dollars a barrel. An emergency OPEC meeting was called to avert a general price decline, resulting in a pledge to cut production by December. Since economic conditions differ widely among OPEC members, this decision will be difficult to enforce. Some debt ridden nations in the organization cannot afford sharp production cutbacks. Others have cut prices precipitously to capture a larger share of a shrinking market.

These developments ought to prevent inflation from igniting. They relieve pressure on the Federal Reserve to pursue policies that keep interest rates high. The most recent data released by the Bureau of Labor Statistics shows the Consumer Price Index rising at a very moderate 4.2 percent nationally and 3.3 percent in the Seattle-Everett area for the year ending September 1984. (See the table next page.)

With inflation under control, large Federal budget deficits are the most serious threat to interest rates. Employment in the state's interest rate sensitive manufacturing sectors will depend heavily on how Congress and the Administration address the deficit problems in the months ahead.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	<u>INDEXES</u>			<u>PERCENT CHANGE</u>				
	<u>Sept</u> <u>1983</u>	<u>Aug</u> <u>1984</u>	<u>Sept</u> <u>1984</u>	<u>Year</u> <u>Ending</u> <u>Aug</u> <u>1984</u>	<u>Year</u> <u>Ending</u> <u>Sept</u> <u>1984</u>	<u>2 Months</u> <u>Ending</u> <u>Aug</u> <u>1984</u>	<u>2 Months</u> <u>Ending</u> <u>Sept</u> <u>1984</u>	<u>1 Month</u> <u>Ending</u> <u>Sept</u> <u>1984</u>
U.S. City Average	301.8	313.0	314.5	4.2	4.2	0.7	0.9	0.5
Seattle-Everett	306.5	--	316.5	--	3.3	--	0.7	--

AREA WAGE SURVEY REPORT AVAILABLE FOR COWLITZ COUNTY

The Wage Analysis Unit of the Research and Analysis Branch recently completed an occupational wage survey for Cowlitz County. The survey report, based upon data from 137 establishments, presents wage ranges and averages for clerical, managerial, professional, technical and general occupations. The report, titled "AREA WAGE SURVEY, COWLITZ COUNTY, AUGUST, 1984" is available on request from Research and Analysis, P.O. Box 46502, Seattle, Washington 98146. Phone (206) 764-6453.

RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE 1/
(In Thousands)

NOT SEASONALLY ADJUSTED

	Sep. 1984 (Prel.)	Aug. 1984 (Rev.)	Sep. 1983	Aug. 1983	Change Aug. 84 to Sep. 84	
RESIDENT CIVILIAN LABOR FORCE . . .	2,071.0	2,079.9	2,083.8	2,075.6	-8.9	-12.8
EMPLOYMENT	1,897.9	1,895.9	1,890.2	1,866.5	+2.0	+7.7
UNEMPLOYMENT	173.1	184.0	193.6	209.1	-10.9	-20.5
Percent of Labor Force	8.4	8.8	9.3	10.1	xxx	xxx

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE,
PLACE OF WORK 2/
(In Thousands)

NOT SEASONALLY ADJUSTED

	Sep. 1984 (Prel.)	Aug. 1984 (Rev.)	Sep. 1983	Aug. 1983	Change Aug. 84 to Sep. 84	
TOTAL NONAG. WAGE AND SALARY . . .	1,667.0	1,647.1	1,610.8	1,581.4	+19.9	+56.2
TOTAL MANUFACTURING	292.6	291.1	281.1	279.2	+1.5	+11.5
Durable Goods	200.5	199.7	189.5	189.4	+0.8	+11.0
Lumber & Wood Products	41.6	42.0	43.4	43.7	-0.4	-1.8
Furniture & Fixtures	3.4	3.3	3.4	3.4	+0.1	0.0
Stone, Clay & Glass Prod	6.6	6.6	6.3	6.3	0.0	+0.3
Primary Metal Industries	13.1	13.0	13.1	12.8	+0.1	0.0
Aluminum Products	8.5	8.6	8.7	8.5	-0.1	-0.2
Fabricated Metal Products . . .	9.9	10.0	9.8	10.0	-0.1	+0.1
Machinery	28.3	28.3	26.3	26.1	0.0	+2.0
Machinery (Exc. Elect.)	16.3	16.4	15.5	15.3	-0.1	+0.8
Electrical & Elect. Equip. . . .	12.0	11.9	10.8	10.8	+0.1	+1.2
Transportation Equipment	83.3	82.3	73.3	73.2	+1.0	+10.0
Aerospace	68.3	67.2	61.5	61.8	+1.1	+6.8
Other Transp. Equipment	15.0	15.1	4/ 11.8	4/ 11.4	-0.1	+3.2
Instruments & Related Prod	9.7	9.7	9.6	9.6	0.0	+0.1
Misc. Manufacturing Ind	4.6	4.5	4.3	4.3	+0.1	+0.3
Nondurable Goods	92.1	91.4	91.6	89.8	+0.7	+0.5
Food & Kindred Products	34.7	33.7	36.4	34.6	+1.0	-1.7
Canned & Preserved Foods	14.3	13.0	15.7	14.3	+1.3	-1.4
Apparel & Other Text. Prod	6.4	6.4	6.1	6.0	0.0	+0.3
Paper & Allied Products	16.5	16.8	16.0	16.0	-0.3	+0.5
Printing & Publishing	16.5	16.5	15.9	15.9	0.0	+0.6
Chemicals & Allied Products . . .	10.7	10.4	10.3	10.4	+0.3	+0.4
Other Nondurable Goods <u>3/</u>	7.3	7.6	6.9	6.9	-0.3	+0.4
MINING & QUARRYING	2.7	2.8	2.9	2.8	-0.1	-0.2
CONSTRUCTION	82.4	81.3	78.1	78.1	+1.1	+4.3
TRANS. & PUBLIC UTILITIES	93.7	93.5	4/ 90.7	4/ 85.0	+0.2	+3.0
WHOLESALE & RETAIL TRADE	419.2	415.6	406.8	402.5	+3.6	+12.4
Wholesale Trade	108.6	106.3	106.0	103.6	+2.3	+2.6
Retail Trade	310.6	309.3	300.8	4/ 298.9	+1.3	+9.8
FINANCE, INS., & REAL ESTATE	94.9	95.0	93.5	93.9	-0.1	+1.4
SERVICES	350.8	348.1	335.0	331.8	+2.7	+15.8
GOVERNMENT	330.7	319.7	322.7	308.1	+11.0	+8.0
Federal	68.9	69.7	68.7	69.1	-0.8	+0.2
State & Local	261.8	250.0	4/ 254.0	239.0	+11.8	+7.8
Education	132.1	114.9	4/ 131.2	111.5	+17.2	+0.9
(WORKERS IN LABOR MANAGEMENT DISPUTES)	0.0	0.0	9.5	0.9	0.0	-9.5

- 1/ These data are alternative estimates which are more nearly comparable to data released in previous years than are official Bureau of Labor Statistics estimates developed for Federal program purposes.
- 2/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.
- 3/ Includes textile mill products, rubber and miscellaneous plastics products, petroleum refining and related products, and leather products.
- 4/ Excludes workers involved in labor-management disputes.

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

October 24, 1984
Benchmark 1983

(Not Seasonally Adjusted)

	September 1984 Preliminary 3/				August 1984 Revised			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total 1/	2,041,000	1,878,100	162,900	8.0	2,044,200	1,876,700	167,500	8.2
Bellingham SMSA	51,200	46,400	4,800	9.4	51,800	47,300	4,500	8.7
Bremerton SMSA	64,700	60,700	4,000	6.2	64,400	60,500	3,900	6.1
Olympia SMSA	58,500	53,300	5,200	8.9	58,500	53,400	5,100	8.7
Seattle-Everett SMSA	902,200	840,100	62,100	6.9	904,700	843,700	61,000	6.7
King County	711,900	663,900	48,000	6.7	713,900	666,700	47,200	6.6
Snohomish County	190,300	176,200	14,100	7.4	190,800	177,000	13,800	7.2
Spokane SMSA	151,800	140,600	11,200	7.4	150,400	139,200	11,200	7.4
Tacoma SMSA	191,200	174,500	16,700	8.7	187,600	171,100	16,500	8.8
Tri-Cities Area 2/	71,900	64,300	7,600	10.6	72,300	63,300	9,000	12.4
Yakima SMSA	89,800	81,100	8,700	9.7	91,700	81,000	10,700	11.7
Wenatchee Labor Area 2/	36,240	32,900	3,340	9.2	37,570	32,840	4,730	12.6
Adams	7,770	7,110	660	8.5	7,540	6,790	750	9.9
Asotin	8,220	7,640	580	7.1	8,310	7,720	590	7.1
Clallam	19,950	17,360	2,590	13.0	19,550	17,430	2,120	10.8
Clark	92,170	86,050	6,120	6.6	93,020	86,290	6,730	7.2
Columbia	1,750	1,570	180	10.3	1,750	1,570	180	10.3
Cowlitz	31,550	28,230	3,320	10.5	31,570	28,080	3,490	11.1
Ferry	2,660	2,350	310	11.7	2,620	2,290	330	12.6
Garfield	1,290	1,210	80	6.2	1,310	1,230	80	6.1
Grant	23,380	20,950	2,430	10.4	23,990	21,350	2,640	11.0
Grays Harbor	28,400	24,670	3,740	13.2	29,160	25,220	3,940	13.5
Island	15,410	14,240	1,170	7.6	15,480	14,350	1,130	7.3
Jefferson	7,110	6,530	580	8.2	6,990	6,500	490	7.0
Kittitas	11,060	10,050	1,010	9.1	10,790	9,780	1,010	9.4
Klickitat	7,120	6,440	680	9.6	7,300	6,390	910	12.5
Lewis	23,920	21,320	2,600	10.9	24,080	21,350	2,730	11.3
Lincoln	4,850	4,590	260	5.4	4,890	4,670	220	4.5
Mason	11,580	10,570	1,010	8.7	11,280	10,300	980	8.7
Okanogan	17,250	14,820	2,430	14.1	17,300	14,540	2,760	16.0
Pacific	6,940	5,980	960	13.8	7,450	6,270	1,180	15.8
Pend Oreille	4,040	3,650	390	9.7	4,130	3,720	410	9.9
San Juan	4,200	4,030	170	4.0	4,450	4,290	160	3.6
Skagit	33,930	29,980	3,950	11.6	35,250	31,390	3,860	11.0
Skamania	2,700	2,340	360	13.3	2,830	2,430	400	14.1
Stevens	12,250	10,820	1,430	11.7	12,260	10,820	1,440	11.7
Wahkiakum	1,390	1,240	150	10.8	1,490	1,260	230	15.4
Walla Walla	25,740	24,150	1,590	6.2	25,560	23,950	1,610	6.3
Whitman	16,770	16,290	480	2.9	15,100	14,650	450	3.0

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.

2/ Includes Benton and Franklin counties.

3/ Includes Chelan and Douglas counties.

(Not Seasonally Adjusted)

John Spellman, Governor
Norward J. Brooks, Commissioner

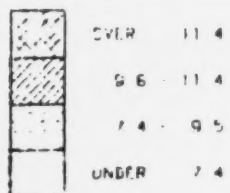
	September 1984 Preliminary 3/				August 1984 Revised				September 1983 Revised			
	Labor Force	Employment	Unemploy- ment	Rate	Labor Force	Employment	Unemploy- ment	Rate	Labor Force	Employment	Unemploy- ment	Rate
Washington State Total 1/	2,071,000	1,897,900	173,100	8.4	2,079,900	1,895,900	184,000	8.9	2,083,800	1,890,200	193,600	9.3
Bellingham SMSA	52,000	46,900	5,100	9.8	52,600	47,700	4,900	9.3	51,600	46,800	4,800	9.3
Bremerton SMSA	65,600	61,300	4,300	6.6	65,400	61,100	4,300	6.6	65,000	60,300	4,700	7.2
Olympia SMSA	59,400	53,900	5,500	9.3	59,500	53,900	5,600	9.4	58,500	52,300	6,200	10.6
Seattle-Everett SMSA	914,900	848,900	66,000	7.2	919,400	852,300	67,100	7.3	903,600	824,300	79,300	8.8
Spokane SMSA	154,000	142,100	11,900	7.7	152,900	140,600	12,300	8.0	156,400	143,600	12,800	8.2
Tacoma SMSA	194,200	176,400	17,800	9.2	190,900	172,800	18,100	9.5	196,800	174,800	22,000	11.2
Tri-Cities Area 2/	73,100	65,000	8,100	11.1	73,800	63,900	9,900	13.4	78,300	69,000	9,300	11.9
Yakima SMSA	91,200	82,000	9,200	10.1	93,600	81,800	11,800	12.6	95,500	86,300	9,200	9.6
Wenatchee Labor Area 2/	36,800	33,250	3,550	9.6	38,370	33,170	5,200	13.6	38,610	35,270	3,340	8.7
Adams	7,890	7,190	700	8.9	7,680	6,860	820	10.7	8,280	7,480	800	9.7
Asotin	8,340	7,720	620	7.4	8,440	7,790	650	7.7	8,890	8,190	700	7.9
Clallam	20,300	17,540	2,760	13.6	19,940	17,610	2,330	11.7	20,300	18,070	2,230	11.0
Clark	93,470	86,960	6,510	7.0	94,560	87,170	7,390	7.8	93,490	85,570	7,920	8.5
Columbia	1,780	1,580	200	11.2	1,780	1,580	200	11.2	1,850	1,630	220	11.9
Cowlitz	32,050	28,520	3,530	11.0	32,200	28,370	3,830	11.9	33,810	29,870	3,940	11.7
Ferry	2,710	2,380	330	12.2	2,670	2,310	360	13.5	2,720	2,430	290	10.7
Garfield	1,300	1,220	80	6.2	1,330	1,240	90	6.8	1,350	1,280	70	5.2
Grant	23,760	21,170	2,590	10.9	24,460	21,570	2,890	11.8	25,730	23,180	2,550	9.9
Grays Harbor	28,900	24,930	3,970	13.7	29,810	25,480	4,330	14.5	30,320	26,550	3,770	12.4
Island	15,630	14,390	1,240	7.9	15,750	14,500	1,250	7.9	15,290	13,970	1,320	8.6
Jefferson	7,210	6,600	610	8.5	7,110	6,570	540	7.6	6,960	6,420	540	7.8
Kittitas	11,230	10,160	1,070	9.5	10,990	9,880	1,110	10.1	11,200	10,100	1,100	9.8
Klickitat	7,230	6,510	720	10.0	7,450	6,450	1,000	13.4	7,160	6,430	730	10.2
Lewis	24,310	21,540	2,770	11.4	24,570	21,570	3,000	12.2	25,050	22,160	2,890	11.5
Lincoln	4,910	4,640	270	5.5	4,970	4,720	250	5.0	4,910	4,710	200	4.1
Mason	11,750	10,680	1,070	9.1	11,480	10,400	1,080	9.4	11,110	9,990	1,120	10.1
Okanogan	17,560	14,980	2,580	14.7	17,720	14,690	3,030	17.1	18,900	16,960	1,940	10.3
Pacific	7,060	6,040	1,020	14.4	7,630	6,340	1,290	16.9	7,660	6,620	1,040	13.6
Pend Oreille	4,100	3,690	410	10.0	4,210	3,760	450	10.7	3,930	3,380	550	14.0
San Juan	4,250	4,070	180	4.2	4,500	4,330	170	3.8	4,420	4,180	240	5.4
Skagit	34,500	30,300	4,200	12.2	35,940	31,710	4,230	11.8	35,470	31,940	3,530	10.0
Skamania	2,740	2,360	380	13.9	2,890	2,450	440	15.2	3,170	2,760	410	12.9
Stevens	12,450	10,930	1,520	12.2	12,510	10,930	1,580	12.6	12,230	10,680	1,550	12.7
Wahkiakum	1,400	1,250	150	10.7	1,520	1,270	250	16.4	1,360	1,260	100	7.4
Walla Walla	26,100	24,410	1,690	6.5	25,970	24,200	1,770	6.8	26,630	24,780	1,850	6.9
Whitman	16,970	16,460	510	3.0	15,300	14,800	500	3.3	17,490	16,930	560	3.2

-12-

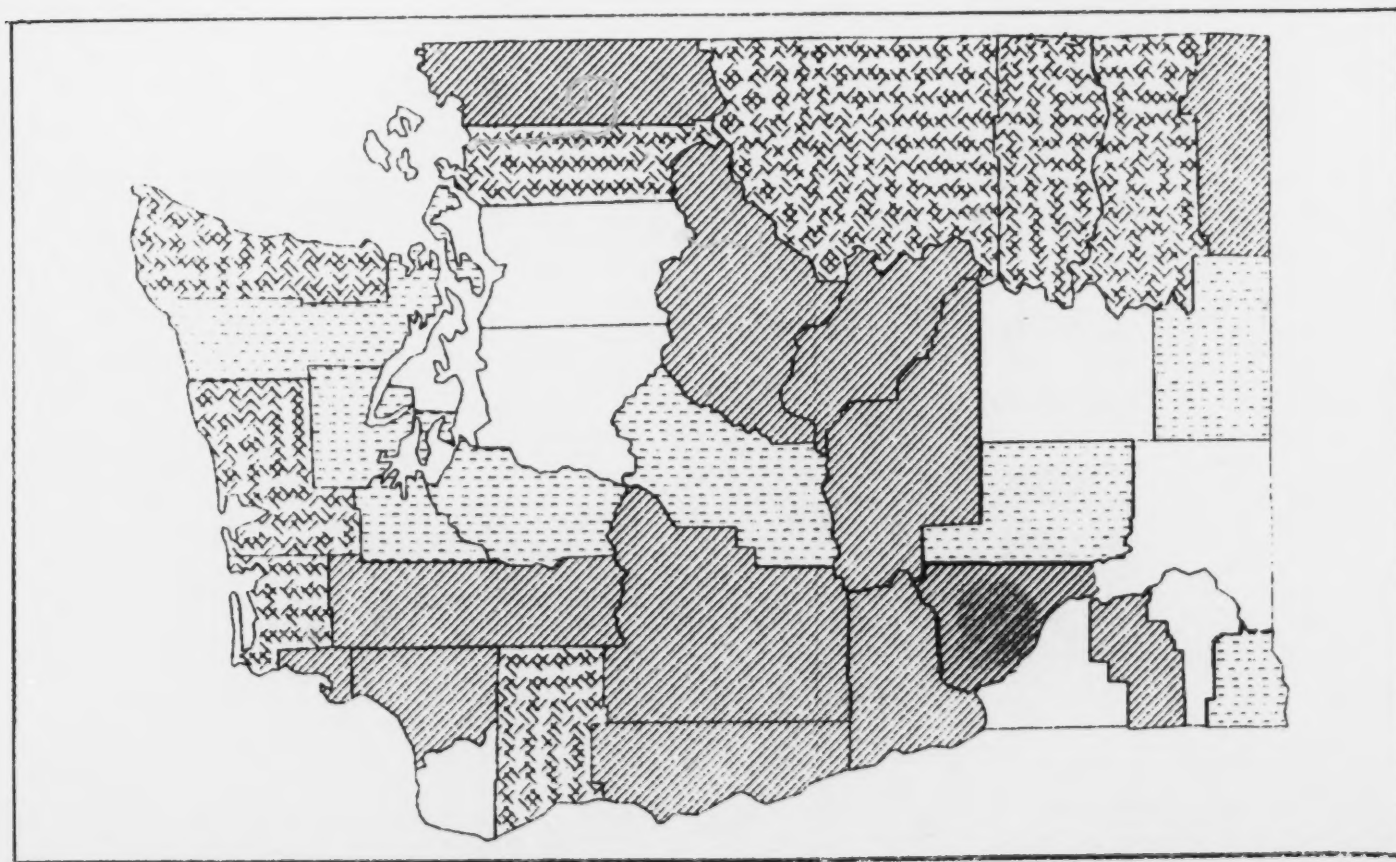
1/ Detail may not add due to rounding.

2/ The Tri-Cities area includes all of Benton and Franklin Counties. The Wenatchee Labor Area includes all of Chelan and Douglas counties.

3/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.



SEPTEMBER UNEMPLOYMENT RATES





Washington State
Employment Security Department
John Spellman, Governor
Norward Brooks, Commissioner

prepared by the
Research & Analysis Branch
Olympia, WA 98504
(206) 753-5142

in cooperation with
the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 8, Number 11

November, 1984

HIGHLIGHTS

The jobless rate in Washington State rose 0.3 of a percentage point last month, from 8.4 percent in September to 8.7 percent in October. (These data are not seasonally adjusted.) Over the past five years the average October increase in the State's unemployment rate has been 0.4 of a percentage point. This year's increase, of 0.3 of a point, is a slightly better than average performance.

Small Seasonal Increase
in State Jobless Rate

	Oct. 1984* (Prel.)	Sept. 1984* (Rev.)	Oct. 1983
Civilian			
Labor Force	2,085,900	2,078,100	2,080,200
Total Employment	1,904,400	1,903,800	1,882,500
Total Unemployment	181,500	174,300	197,700
State Unemployment			
Rate	8.7	8.4	9.5
National Civilian			
Unemployment Rate	7.0	7.1	8.4

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more nearly comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for Federal program purposes. (Data in this table are not seasonally adjusted.)

Over the past five years, the state civilian labor force (persons employed plus those actively seeking work) has remained fairly stable between September and October. By October, most of the significant labor force movement related to the beginning of a new school year has already taken place.

Meanwhile, the number of jobless persons usually increase by a small amount in October. The first wave of post-summer, weather related transitions has already occurred in agriculture, food processing, logging, and construction, with the second wave not coming until later in the fall or in early winter.

The total number of employed individuals remained about the same during October, with large, mostly seasonal, losses in services (-4,000), wholesale and retail trade (-4,400), lumber and wood products (-1,000), and food processing (-900). These were offset by continuing expansion in aerospace (+1,000), and a normal seasonal jump in state and local government jobs (+9,600). Altogether, 7,200 more persons were unemployed in October than in September.

The sharp rise in government jobs was concentrated in colleges and universities that resumed operations after the mid-September payroll reporting period. Altogether, public education payrolls increased by 13,000 during October. Seasonal job losses at state parks, forests, and playgrounds brought the net gain in state and local government jobs to just under 10,000.

With the exception of retail trade, where jobs fell by 3,200, and construction, which lost 2,000, seasonal fluctuations were well within October norms. The retail trade loss was about 2,000 higher than usual, and was related to sluggish consumer activity. The loss would have been greater if not for tourism, which is experiencing a banner year. The loss in construction jobs was smaller than normal. With lack of evidence that tumbling mortgage rates have spurred significant new home-building, continuing strength in construction must be due to multi-family, commercial and public works construction projects.

While no major or atypical workforce changes occurred in lumber and wood products, primary metals, or shipbuilding during October, the outlook for these sectors is still gray. In shipbuilding, owners are asking unions for wage concessions in order to attract contracts from a more cost-conscious Navy. In the metals sector, some aluminum companies are offering discounts to stimulate demand and ease the glut of ingot. Meanwhile, lumber and wood products hopes that falling mortgage rates and proposed measures to relieve firms from unprofitable state timber

Seasonal Rise in Public Education Payrolls

Retail Trade Sluggish

cutting contracts will slow the pace of plant closures and layoffs in the industry.

Aerospace Exceeds Hiring Forecast for 1984

Aerospace was again the bright spot in a generally listless hard goods manufacturing sector. The industry added another 1,000 jobs in October, bringing its 1984 payroll increase to 7,700. This already exceeds its own hiring forecast for the year. Healthy third quarter profits for the national domestic airline industry and continuing Congressional commitment to space and defense spending suggests that the current level of aerospace employment is sustainable.

Leading Indicators Down

On the national level, the Department of Commerce's index of leading economic indicators dropped in October for the third time in five months. The performance of the Index, together with the third quarter plunge in Gross National Product (GNP), points to an unmistakable cooling of the national economy. Most economists, however, regard it as a pause, rather than a halt or a reversal to the expansion.

National Jobless Rate Unchanged

The cooling of the economy has tightened the labor market. The seasonally adjusted jobless rate nationally has been stuck at about 7.4 percent since May. The unadjusted rate fell from 7.1 percent in September to 7.0 percent in October.

CHART 1

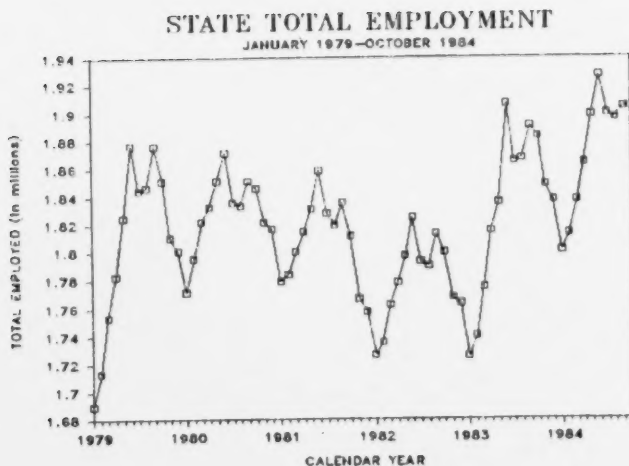
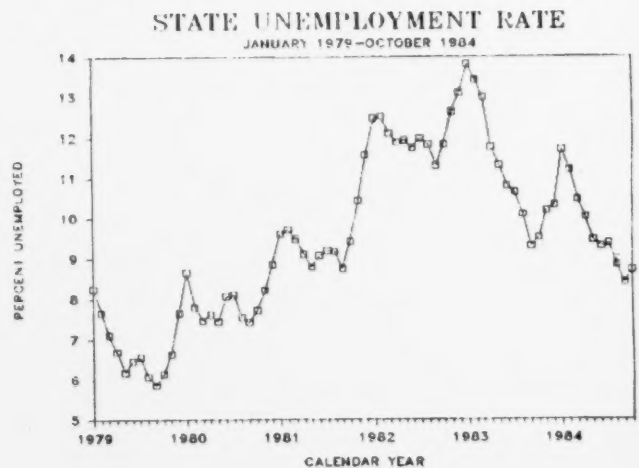


CHART 2



MANUFACTURING INDUSTRIES

Flood of Foreign Imports Erodes Manufacturing Recovery

At this late stage of the recovery, the state's manufacturing industries, concentrated heavily in capital goods production, have probably received maximum benefit from the surge in business spending that began in mid-1983, and lasted through mid-1984. While soaring investments helped narrow the initial gap between the state and national recoveries--following the pattern of past cycles--the benefits this time were clipped by competition from foreign capital goods producers. A very large proportion of the 20 percent rise in capital spending during 1984 was siphoned by foreign makers of machine tools, electrical equipment, tractors, and other hardgoods.

In this state, lumber and wood products, primary metals, and shipbuilding have been hardest hit by foreign competition. Cheaper Canadian imports aborted the wood products recovery; overproduction by debt-ridden third world nations undermined the metals sector; and a dormant domestic shipping industry, unable to compete with government subsidized foreign carriers, has helped depress shipbuilding.

Among manufacturers of hardgoods, only aerospace and machinery (which includes numerous "high technology" firms that are less vulnerable to foreign competitors) have shown a healthy employment rise over the past year. Machinery added 2,100 jobs between October 1983 and October 1984, while lumber and wood products (-1,800), "other transportation equipment", including shipbuilding (-200), and primary metals (+200), fared less well. Aerospace has been the stalwart in the manufacturing recovery, providing 8,000 new jobs since October 1983.

Durable Goods Industries

Cold and wet October weather contributed to a normal seasonal loss of 1,000 jobs in lumber and wood products during the month. Most of the drop occurred in logging operations. Cutbacks in logging, and related reductions at sawmill, plywood, and veneer plants, will accelerate in November and December as weather conditions worsen. The low point in lumber and wood products employment usually occurs in January and February.

Lumber Industry Hopes for Pick-Up in Housing

Passage of Federal Legislation to relieve companies of unprofitable timber cutting contracts and the prospect of a housing rebound spurred by lower mortgage rates has slowed the pace of plant closures in the industry. Unless the housing pick-up materializes or the cost of imported Canadian timber falls sharply, however, the woes of the regional industry will continue. Nationally, housing starts declined 9.8 percent in October following a September rise of 8.9 percent. Lower mortgage rates have yet to spark significant activity in residential home building, but a rebound is expected.

Mayr Bros. to
Re-Open Hoquiam
Plant with
Reduced Workforce

In one positive development involving lumber and wood products, the Mayr Brothers Logging Company announced plans to resume operations at its Hoquiam sawmill and chip plant with a reduced workforce. Mayr Brothers in Hoquiam, which had employed 500 workers at its peak, closed all but its planer operations last August after filing for reorganization under Federal Bankruptcy Laws. When it re-opens shortly, the planer mill, sawmill and chip plant will provide jobs for about 55 workers.

Airline Industry
Spending Plans are
Good Omen for Jobs
in Aerospace

For the fourth consecutive month, the aerospace industry posted a hefty payroll gain, this time adding almost 1,000 new jobs. Since the end of 1983 aerospace employment has soared by 7,700, about 900 more than the industry's own hiring forecast for all of 1984.

With the domestic airline industry still firmly on the path to recovery and support remaining strong for space and military expenditures, growth in aerospace payrolls appears sustainable. In a recent survey of business investment plans for 1985, the airline industry said it would boost its capital spending by 37 percent over 1984, among the highest of any sector.

Boatbuilders ask
for Wage Reductions

Employment in the "other transportation" category, which includes the shipbuilding industry, was steady in October. Layoffs announced in October and November, however, are expected to trim shipyard payrolls before the end of the year. In an initiative to make West coast shipyards competitive for a \$28 million Navy boat conversion contract, the Boatbuilders Association has proposed a "one time" wage reduction to local unions. Skilled workers at Puget Sound Shipyards are paid from \$2.00 to \$3.00 per hour higher than counterparts at Gulf and East coast yards. Local unions say that if wage concessions are granted here, East and Gulf coast competitors will demand proportional reductions from their unions. According to Marple's Business Newsletter, the national implications of the West coast shipyards' request for wage concessions will be addressed at an upcoming meeting of the AFL-CIO Metal Trades executive board.

Bay City Marine
to Stay in Tacoma

In a positive development involving local shipbuilding, Bay City Marine, Tacoma's newest major shipbuilder, announced it will stay in Tacoma to build its first Coast Guard ice-breaking tugboat. Earlier, the company said it might leave Tacoma because of failure to find an appropriate site for the project. Now, Bay City Marine says that three possible sites have been identified. The company, whose headquarters are in San Diego, has a local workforce of about 120.

Forecasts for
Capital Spending
Scaled-Down

Forecasts earlier in the year, that business investment would remain strong through 1985, now seem too optimistic. In recent months factory utilization has declined nationally after a steep and steady rise since mid-1983. The growing tide of imports, including machine tools, electrical equipment, and tractors, are also cutting into the revenues of domestic capital goods producers. Surveys now show that business investment plans for 1985 are about 10 percent above the 1984 level. While this is still a healthy rise, it is three to five percentage points below the plans announced in previous surveys.

Nondurable Goods Industries

A seasonal change in food processing payrolls again highlighted monthly developments in nondurables manufacturing. During October jobs fell in the industry by 900. This is a better than normal performance. In three of the past five years, food processing payrolls have tumbled by nearly 2,000 during October. Between June and September, however, monthly job gains in the industry consistently fell short of seasonal norms. The September shortfall was particularly acute, as only 1,000 workers were added by the industry, compared to a typical rise of 2,500 to 3,500 at that time of year.

The better than normal October performance suggests that a major part of the apparent shortfall involved a shift in the timing of seasonal hiring, probably due to a late harvest. In this situation, a "shortfall" in one month may be balanced by a larger than expected gain (or smaller than normal loss) in the next payroll period--which is what happened in September and October.

Still, the gain in food processing jobs since the first of the year is only 5,900, nearly 2,000 less than the average January to October increase of the past decade. Since no major plant closures have been reported in the industry, the apparent job erosion may involve the loss of large contracts or a general downturn in demand for the industry's products. Nationally, food processing was one of the few industries to register a drop in third quarter profits compared to one year ago. Profits were down two percent in food processing, while all other sectors averaged a nine percent gain over the year. Revisions of job estimates for the industry after fourth quarter unemployment insurance taxes are filed in January 1985, may show the "shortfall" to be a statistical error. For the food processing sector, these end-of-year revisions have tended to be fairly large.

"Shortfall" Still
Appears in
Food Processing

Union Carbide
Considers Expansion
in Moses Lake

In other developments involving nondurables manufacturing, the chemicals industry may benefit from a plant expansion in the months ahead. Union Carbide announced that it is considering doubling the capacity of its silicon purification plant in Moses Lake, Washington. Employment at

the plant, which has just started operating, now stands at 170, and is scheduled to reach about 200 at full production. High demand for purified silicon, which is used as a raw material for computer chips, has prompted the company to consider the expansion. This would boost employment at the plant to about 300. The original decision to locate at Moses Lake was due partly to the low electricity rates provided by the Grant County Public Utility District.

NONMANUFACTURING INDUSTRIES

A jump in tourist related activity around the state is helping reduce the slippage in retail trade jobs due to the slowdown in consumer spending. Construction continues to show surprising strength, given lack of evidence that lower mortgage rates have spurred significant new construction. In the nonmanufacturing sector, the largest September to October gain was in public education, where jobs jumped by 13,000 as more colleges re-opened after the mid-September payroll reporting period.

Another Good Performance by Construction

Construction continues to register monthly performances that compare favorably with the late seventies, when the housing sector was booming and nuclear plant construction was at its peak. During that time, construction payrolls rose well above 100,000. Although the current level (81,100) is much below that figure, in the past several months gains have been consistently above customary seasonal jumps and losses have been below average.

Over the past five years, jobs in construction have fallen by an average of 3,900 between September and October, with deteriorating weather the prime cause. The highest recent October losses were 5,300 in 1979 and 4,900 in 1981. This year, construction payrolls edged down by only 2,000 in October.

While falling mortgage rates have undoubtedly helped, single family housing starts have yet to benefit significantly from the lower rates. Increased apartment, commercial, and public construction are providing most of the stimulus. Mortgage rates in October reached their lowest level since May. The average quote on conventional fixed rate mortgages was 14.05 percent in October, down from 14.26 percent a month earlier. This, however, is still well above the year-ago figure of 13.43 percent. Rates in the 12 to 13 percent range spurred the housing rebound in 1983.

BPA to Extend Mothballing of Nuclear Power Plants

The promise that construction payrolls might edge back toward the "magic" 100,000 level, were partially doused by a Bonneville Power Authority (BPA) decision to extend the mothballing of both the Hanford and Satsop nuclear power plants. The BPA cited "continuing financing problems" and a reduction in load forecasts as reasons.

Construction at Satsop was set to resume in the summer of 1985, and at Hanford one year later. The BPA decision would move back construction on both projects to the fall of 1987. A legal suit by four private utilities to force the completion of the Satsop plant, however, may force BPA to reconsider.

Employment in the state's retail trade sector fell in October by 3,200, about 2,000 higher than normal for a non-recession year, but still well below the October losses of 4,600 and 7,000 posted in the depths of the 1981-1982 recession. This mixed job performance in retail trade reflects cautious consumer behavior. Nationally, despite a strong rise in personal income during October, retail sales slipped by 0.1 percent from September. This prompted speculation that the critical holiday season shopping period may not be as robust as initially forecast. The gap between income and spending, on the other hand, leaves the consumer in a favorable position to spend in the fourth quarter. This viewpoint is consistent with surveys that show consumer optimism still high. The Conference Board's October consumer buying plans index was 12 percent higher than September.

In the state, Marple's Business Newsletter reports that major retailers characterize business as "just fair" and customers as "very price conscious." Heavy tourist activity in the state has helped offset the drag on retail sales brought on by the cautious consumer. According to a survey by the Seattle-King County Convention Visitors Bureau, this year's tourist season was the best since the 1962 World's Fair.

In other major developments involving nonmanufacturing employment, education payrolls jumped by 13,000 in October. This is normal for October, as state colleges and universities resume full operations and local school districts round out their staffing for the new school year.

Overall, government payrolls increased 9,700 in October, as public education gains were partially offset by the termination of many temporary summer jobs at parks, forests, and playgrounds.

According to a U.S. Navy Economic Impact Study just released, government and other nonmanufacturing sectors may get a big boost if the Navy follows through on a decision to base a carrier group at Everett, Washington. The study says that 23,000 military and civilian jobs would be added by 1990, with 16,000 of these in Snohomish County. Critics of Everett's decision to accept the Naval Task Force claim the estimate is too high. The Navy study assumes one new civilian job will be created

Consumer Slowdown
Limits Hiring in
Retail Trade

Educators Return
to Work

Navy Forecasts
23,000 Jobs
for Everett

for each Navy job. This assumption is not seriously at odds with shipbuilding and service job "multipliers" used by most economists in the state. According to the state "input-output" model, every new job in shipbuilding and services adds another two-thirds of a job to the state economy.

EMPLOYMENT OUTLOOK:
THE NATIONAL CONTEXT

Interest rate activity was again the center of attention on the national level. Another drop in the prime lending rate by major banks--this time to 11.25 percent--was in response to the general economic slowdown and to evidence that inflation is under control. The Producer Price Index, which usually foreshadows movement in the Consumer Price Index (CPI), fell 0.2 percent in October. Lower interest rates have already stimulated auto sales; but the expected pick-up in housing has yet to occur. (Latest CPI data are provided at the conclusion of the narrative.)

Lower Interest Rates
Should Boost Jobs
in Capital Goods Sector

If lower interest rates help bring down the value of the dollar, and reduce the flood of imported durable goods, the job picture should improve in the state's machinery, metals, and wood products industries. The latter two sectors have retarded the state's employment recovery. Capital goods manufacturers, in both the state and the nation, never fully benefitted from the year-long surge in business investment, which slowed in Mid-1984. Much of the demand for capital goods was drained by foreign imports.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE				
	Oct 1983	Sept 1984	Oct 1984	Year Ending Sept 1984	Year Ending Oct 1984	2 Months Ending Sept 1984	2 Months Ending Oct 1984	1 Month Ending 1984
U.S. City Average	302.6	314.5	315.3	4.2	4.2	0.9	0.7	0.3
Seattle-Everett	--	316.5	--	3.3	--	0.7	--	--

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE,
PLACE OF WORK 1/
(In Thousands)

NOT SEASONALLY ADJUSTED

	Oct. 1984 (Prel.)	Sep. 1984 (Rev.)	Oct. 1983	Sep. 1983	change (no. of jobs)	
					Sep.84 to Oct.84	Oct.83 to Oct.84
TOTAL NONAG. WAGE AND SALARY	1,668.4	1,672.9	1,612.1	1,610.8	-4.5	+56.3
TOTAL MANUFACTURING	292.2	293.5	282.2	281.1	-1.3	+10.0
Durable Goods	200.8	201.1	191.7	189.5	-0.3	+9.1
Lumber & Wood Products	40.5	41.5	42.3	43.4	-1.0	-1.8
Furniture & Fixtures	3.4	3.4	3.5	3.4	0.0	-0.1
Stone, Clay & Glass Prod	6.5	6.6	6.2	6.3	-0.1	+0.3
Primary Metal Industries	13.0	13.1	12.8 <u>3/</u>	13.1	-0.1	+0.2
Aluminum Products	8.5	8.5	8.4 <u>3/</u>	8.7	0.0	+0.1
Fabricated Metal Products	9.9	9.9	9.7	9.8	0.0	+0.2
Machinery	28.6	28.6	26.5	26.3	0.0	+2.1
Machinery (Exc. Elect.)	16.5	16.6	15.6	15.5	-0.1	+0.9
Electrical & Elect. Equip.	12.1	12.0	10.9	10.8	+0.1	+1.2
Transportation Equipment	84.6	83.6	76.8	73.3	+1.0	+7.8
Aerospace	69.6	68.6	61.6	61.5	+1.0	+8.0
Other Transp. Equipment	15.0	15.0	15.2	11.8 <u>3/</u>	0.0	-0.2
Instruments & Related Prod	9.7	9.7	9.7	9.6	0.0	0.0
Misc. Manufacturing Ind	4.6	4.7	4.2	4.3	-0.1	+0.4
Nondurable Goods	91.4	92.4	90.5	91.6	-1.0	+0.9
Food & Kindred Products	34.3	35.2	35.1	36.4	-0.9	-0.8
Canned & Preserved Foods	13.7	14.3	14.5	15.7	-0.6	-0.8
Apparel & Other Text. Prod	6.4	6.4	6.0	6.1	0.0	+0.4
Paper & Allied Products	15.9 <u>3/</u>	16.2 <u>3/</u>	16.0	16.0	-0.3	-0.1
Printing & Publishing	16.7	16.4	16.3	15.9	+0.3	+0.4
Chemicals & Allied Products	10.9	10.8	10.2	10.3	+0.1	+0.7
Other Nondurable Goods <u>2/</u>	7.2	7.4	6.9	6.9	-0.2	+0.3
MINING & QUARRYING	2.6	2.7	2.9	2.9	-0.1	-0.3
CONSTRUCTION	81.1	83.1	75.0	78.1	-2.0	+6.1
TRANS. & PUBLIC UTILITIES	92.2	94.0	89.5	90.7 <u>3/</u>	-1.8	+2.7
WHOLESALE & RETAIL TRADE	414.1	418.5	404.7	406.8	-4.4	+9.4
Wholesale Trade	107.2	108.4	104.3	106.0	-1.2	+2.9
Retail Trade	306.9	310.1	300.4 <u>3/</u>	300.8	-3.2	+6.5
FINANCE, INS., & REAL ESTATE	94.2	94.8	93.2	93.5	-0.6	+1.0
SERVICES	347.6	351.6	329.8	335.0	-4.0	+17.8
GOVERNMENT	344.4	334.7	334.8	322.7	+9.7	+9.6
Federal	69.0	68.9	67.8	68.7	+0.1	+1.2
State & Local	275.4	265.8	267.0	254.0 <u>3/</u>	+9.6	+8.4
Education	150.3	137.3	146.4	131.2 <u>3/</u>	+13.0	+3.9
(WORKERS IN LABOR MANAGEMENT DISPUTES)	0.3	0.3	5.1	9.5	0.0	-4.8

- 1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full-and part-time wage and salary workers receiving pay during pay period including the 12th of the month.
- 2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.
- 3/ Excludes workers involved in labor-management disputes.

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

November 27, 1984
Benchmark 1983

(Not Seasonally Adjusted)

	October 1984 Preliminary 3/				September 1984 Revised			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total 1/	2,060,100	1,890,500	169,600	8.2	2,047,400	1,883,500	163,900	8.0
Bellingham SMSA	51,200	46,100	5,100	10.0	50,900	46,100	4,800	9.4
Bremerton SMSA	64,200	60,000	4,200	6.5	64,600	60,600	4,000	6.2
Olympia SMSA	59,000	53,500	5,500	9.3	58,400	53,200	5,200	8.9
Seattle-Everett SMSA	908,500	844,100	64,400	7.1	903,000	840,600	62,400	6.9
King County	716,600	667,100	49,500	6.9	712,600	664,200	48,400	6.8
Snohomish County	191,900	177,000	14,900	7.8	190,400	176,400	14,000	7.4
Spokane SMSA	152,800	141,000	11,800	7.7	152,800	141,500	11,300	7.4
Tacoma SMSA	191,400	173,400	18,000	9.4	192,300	175,400	16,900	8.8
Tri-Cities Area 2/	71,500	64,200	7,300	10.2	71,300	63,700	7,600	10.7
Yakima SMSA	97,800	88,300	9,500	9.7	95,000	86,200	8,800	9.3
Wenatchee Labor Area 2/	39,340	36,450	2,890	7.3	36,800	33,460	3,340	9.1
Adams	7,540	6,960	580	7.7	7,650	7,010	640	8.4
Asotin	8,560	7,930	630	7.4	8,210	7,620	590	7.2
Clallam	19,590	16,730	2,860	14.6	19,940	17,320	2,620	13.1
Clark	92,450	86,340	6,110	6.6	92,400	86,140	6,260	6.8
Columbia	1,710	1,520	190	11.1	1,690	1,520	170	10.1
Cowlitz	31,440	27,830	3,610	11.5	31,550	28,210	3,340	10.6
Ferry	2,600	2,290	310	11.9	2,650	2,330	320	12.1
Garfield	1,240	1,160	80	6.5	1,240	1,160	80	6.5
Grant	22,240	20,000	2,240	10.1	22,610	20,200	2,410	10.7
Grays Harbor	28,590	24,780	3,810	13.3	28,650	24,930	3,720	13.0
Island	15,070	13,870	1,200	8.0	15,330	14,200	1,130	7.4
Jefferson	6,840	6,250	590	8.6	7,120	6,530	590	8.3
Kittitas	11,480	10,510	970	8.4	10,850	9,860	990	9.1
Klickitat	7,100	6,410	690	9.7	7,050	6,360	690	9.8
Lewis	24,420	21,120	3,300	13.5	23,890	21,290	2,600	10.9
Lincoln	4,560	4,370	190	4.2	4,680	4,430	250	5.3
Mason	11,070	10,140	930	8.4	11,000	10,080	920	8.4
Okanogan	21,100	18,920	2,180	10.3	17,240	14,800	2,440	14.2
Pacific	6,970	5,880	1,090	15.6	6,930	5,950	980	14.1
Pend Oreille	3,980	3,490	490	12.3	4,070	3,630	440	10.8
San Juan	3,740	3,520	220	5.9	4,170	3,990	180	4.3
Skagit	33,330	29,230	4,100	12.3	33,980	30,040	3,940	11.6
Skamania	2,750	2,340	410	14.9	2,680	2,330	350	13.1
Stevens	11,760	10,220	1,540	13.1	12,130	10,690	1,440	11.9
Wahkiakum	1,430	1,290	140	9.8	1,360	1,220	140	10.3
Walla Walla	25,570	23,670	1,900	7.4	26,150	24,460	1,690	6.5
Whitman	17,240	16,730	510	3.0	17,010	16,520	490	2.9

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.

2/ Includes Benton and Franklin counties.

3/ Includes Chelan and Douglas counties.

(Not Seasonally Adjusted)

John Spellman, Governor
Norward J. Brooks, Commissioner

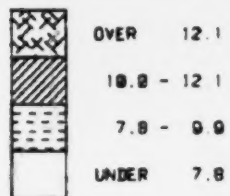
	October 1984 Preliminary 3/				September 1984 Revised				October 1983 Revised			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total 1/	2,085,900	1,904,400	181,500	8.7	2,078,100	1,903,800	174,300	8.4	2,080,200	1,882,500	197,700	9.5
Bellingham SMSA	51,800	46,400	5,400	10.4	51,700	46,600	5,100	9.9	52,100	46,500	5,600	10.7
Bremerton SMSA	64,900	60,400	4,500	6.9	65,600	61,300	4,300	6.6	64,800	60,100	4,700	7.3
Olympia SMSA	59,800	53,900	5,900	9.9	59,400	53,800	5,600	9.4	57,500	51,300	6,200	10.8
Seattle-Everett SMSA	919,200	850,300	68,900	7.5	916,000	849,600	66,400	7.2	909,800	831,500	78,300	8.6
Spokane SMSA	154,800	142,100	12,700	8.2	155,100	143,100	12,000	7.7	155,900	143,100	12,800	8.2
Tacoma SMSA	193,900	174,600	19,300	10.0	195,200	177,300	17,900	9.2	191,200	169,300	21,900	11.5
Tri-Cities Area 2/	72,500	64,700	7,800	10.8	72,500	64,400	8,100	11.2	77,600	68,000	9,600	12.4
Yakima SMSA	99,000	88,900	10,100	10.2	96,500	87,100	9,400	9.7	96,200	85,800	10,400	10.8
Wenatchee Labor Area 2/	39,800	36,710	3,090	7.8	37,380	33,820	3,560	9.5	39,940	36,430	3,510	8.8
Adams	7,630	7,010	620	8.1	7,770	7,090	680	8.8	7,890	7,160	730	9.3
Asotin	8,660	7,990	670	7.7	8,330	7,700	630	7.6	8,780	8,050	730	8.3
Clallam	19,910	16,850	3,060	15.4	20,280	17,500	2,780	13.7	20,050	17,460	2,590	12.9
Clark	93,500	86,970	6,530	7.0	93,730	87,070	6,660	7.1	94,060	85,740	8,320	8.8
Columbia	1,730	1,530	200	11.6	1,720	1,540	180	10.5	1,800	1,530	270	15.0
Cowlitz	31,910	28,040	3,870	12.1	32,070	28,520	3,550	11.1	34,010	29,750	4,260	12.5
Ferry	2,650	2,310	340	12.8	2,700	2,360	340	12.6	2,700	2,380	320	11.9
Garfield	1,250	1,170	80	6.4	1,260	1,180	80	6.3	1,290	1,210	80	6.2
Grant	22,550	20,150	2,400	10.6	22,990	20,420	2,570	11.2	24,630	22,040	2,590	10.5
Grays Harbor	29,030	24,960	4,070	14.0	29,160	25,200	3,960	13.6	29,620	25,790	3,830	12.9
Island	15,250	13,970	1,280	8.4	15,550	14,350	1,200	7.7	15,800	14,460	1,340	8.5
Jefferson	6,920	6,290	630	9.1	7,220	6,600	620	8.6	6,810	6,220	590	8.7
Kittitas	11,620	10,580	1,040	9.0	11,010	9,960	1,050	9.5	11,870	10,840	1,030	8.7
Klickitat	7,190	6,460	730	10.2	7,160	6,430	730	10.2	7,290	6,520	770	10.6
Lewis	24,810	21,280	3,530	14.2	24,280	21,520	2,760	11.4	24,790	21,770	3,020	12.2
Lincoln	4,600	4,400	200	4.3	4,740	4,480	260	5.5	4,600	4,410	190	4.1
Mason	11,210	10,220	990	8.8	11,170	10,190	980	8.8	11,130	9,880	1,250	11.2
Okanogan	21,400	19,060	2,340	10.9	17,540	14,950	2,590	14.8	18,500	16,340	2,160	11.7
Pacific	7,080	5,920	1,160	16.4	7,060	6,020	1,040	14.7	7,330	6,240	1,090	14.9
Pend Oreille	4,040	3,520	520	12.9	4,140	3,670	470	11.4	3,880	3,370	510	13.1
San Juan	3,780	3,550	230	6.1	4,220	4,030	190	4.5	3,960	3,710	250	6.3
Skagit	33,830	29,440	4,390	13.0	34,570	30,370	4,200	12.1	34,440	30,550	3,890	11.3
Skamania	2,800	2,360	440	15.7	2,720	2,350	370	13.6	3,120	2,700	420	13.5
Stevens	11,950	10,300	1,650	13.8	12,330	10,800	1,530	12.4	11,920	10,380	1,540	12.9
Wahkiakum	1,440	1,290	150	10.4	1,370	1,230	140	10.2	1,410	1,300	110	7.8
Walla Walla	25,880	23,840	2,040	7.9	26,520	24,720	1,800	6.8	25,920	23,690	2,230	8.6
Whitman	17,400	16,860	540	3.1	17,220	16,700	520	3.0	17,480	16,950	530	3.0

1/ Detail may not add due to rounding.

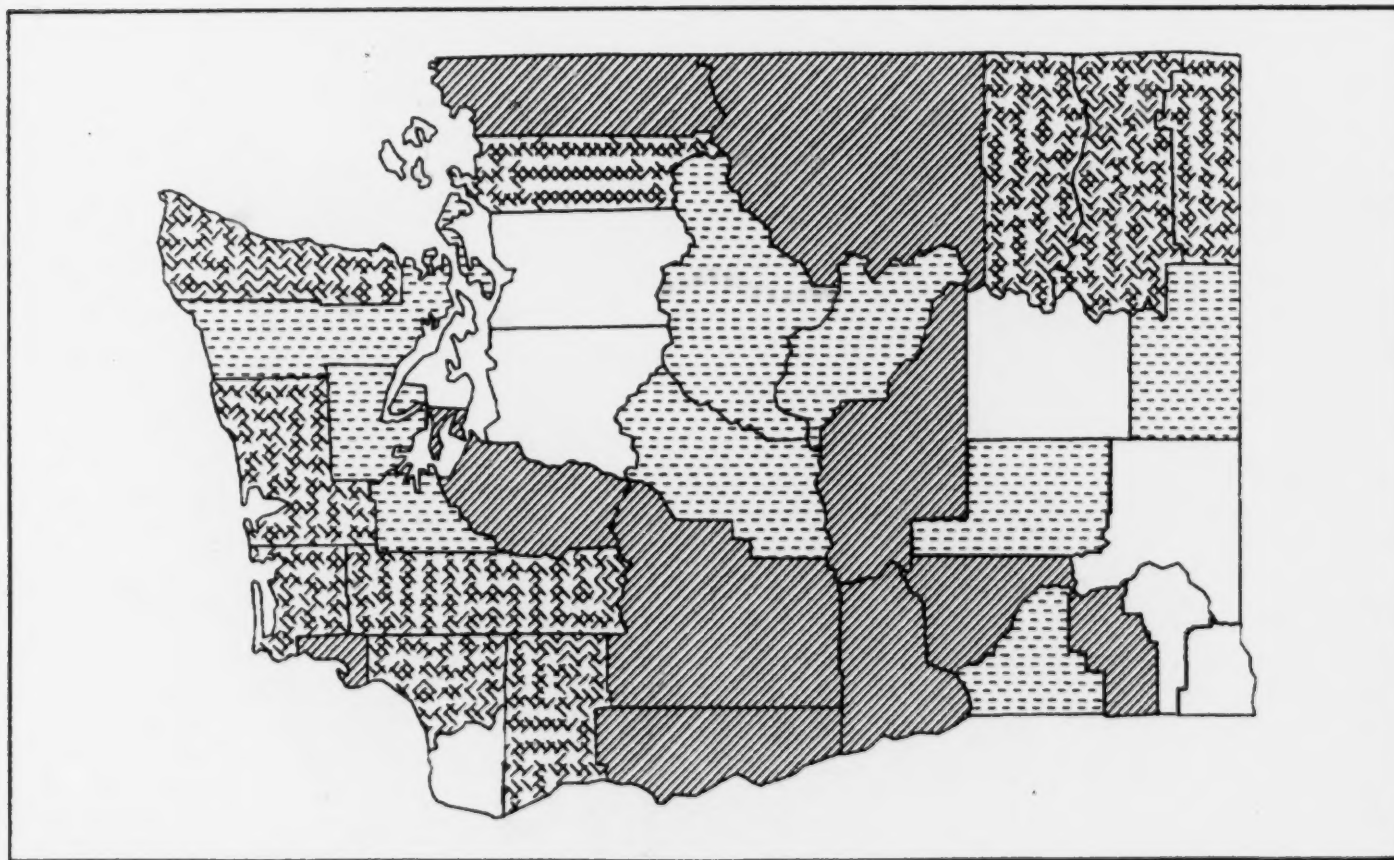
2/ The Tri-Cities area includes all of Benton and Franklin Counties. The Wenatchee Labor Area includes all of Chelan and Douglas counties.

3/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

Research and Analysis Branch



OCTOBER
UNEMPLOYMENT
RATES





Washington State
Employment Security Department
John Spellman, Governor
Norward Brooks, Commissioner

prepared by the
Research & Analysis Branch
Olympia, WA 98504
(206) 753-5142

in cooperation with
the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 8, Number 12

December, 1984

HIGHLIGHTS

Unemployment Up Seasonally

Following past seasonal trends, unemployment in Washington State rose from 181,900 and 8.7 percent of the labor force in October to 190,500 and 9.3 percent in November. (These data are not seasonally adjusted.) The increase resulted from normal fall cutbacks in agriculture, tourist business, food processing, construction and the lumber industry. Compared to the November performance in 1982 and 1983, however, this year's developments paint a much brighter picture. Unemployment last month was 18,900 below November 1983.

	Nov. 1984* (Prel.)	Oct. 1984* (Rev.)	Nov. 1983
Civilian			
Labor Force	2,048,300	2,089,800	2,057,100
Total Employment	1,857,800	1,907,900	1,847,700
Total Unemployment	190,500	181,900	209,400
State Unemployment			
Rate	9.3	8.7	10.2
National Civilian			
Unemployment Rate	6.9	7.0	8.1

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more nearly comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for Federal program purposes. (Data in this table are not seasonally adjusted.)

In November 1982, at the height of the recession, unemployment in the state was nearly 65,000 above November 1984.

Total employment dropped sharply between October and November (down 50,100) with most of the reduction in agriculture where the apple harvest and most other seasonal activities were completed for the year. The drop in nonfarm payrolls was a relatively modest 6,400 as seasonal losses were cushioned by seasonal gains in retail trade, public education, and further growth in aerospace payrolls.

61,500 More
Nonfarm Jobs
This Year

While seasonal employment trends were negative and will remain so through January or February, nonfarm employment has expanded substantially over the past 12 months with the nonagricultural wage and salary job total up 61,500 in Washington State. The expansion was especially remarkable since conditions in the state's second largest manufacturing industry--lumber and wood products--deteriorated over the past year. This explains why recovery from the recession has been weaker in Washington State than in the nation and why the state's unemployment rate is relatively high. Employment in lumber and wood products fell 1,300 between November 1983 and November 1984. A weak homebuilding industry and competition from lumber producers in Canada as well as those in other states continue to plague the industry.

Fortunately, renewed strength in aerospace has more than offset the weakness in lumber. Aerospace employment advanced 9,200 over the year with demand rising from the airline and defense industries. Smaller but significant year-to-year gains were credited to other manufacturing industries including machinery (up 2,000), pulp-paper and printing publishing (up 600 each), and chemicals (up 500). Total manufacturing employment rose 11,900 or 4.3 percent in the state over the year.

Non-Manufacturing
Accounts for Most
New Jobs This Year

In the nonmanufacturing industries, employment jumped nearly 50,000 year to year led by a gain of 18,800 in services. About one-third of the expansion in the latter occurred in business services, including data processing services. The strength of the expansion in this sector is especially encouraging since it reflects growing business activity and confirms the recovery suggested by the employment data.

Elsewhere in nonmanufacturing, government civilian payrolls were up 11,700 with over 10,000 of the gain on the state and local level. Higher tax receipts resulting from an expanding economy have permitted government agencies to restore some of the jobs and services eliminated during the recession.

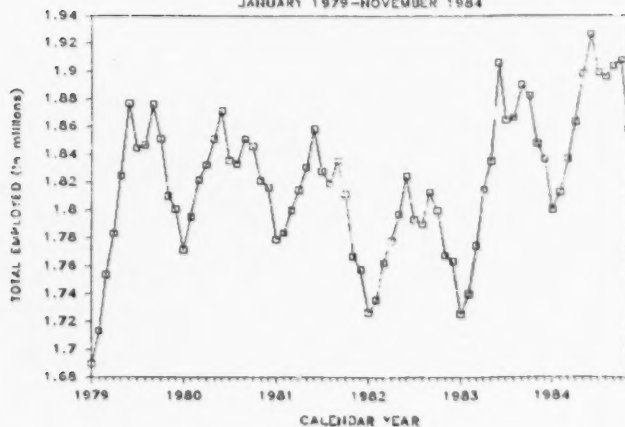
Employment in wholesale and retail trade also posted a sizable expansion over the year, up 8,500. The expansion in trade employment reflected increased purchasing power resulting from the economic recovery as well as the improved confidence consumers now have in their personal financial positions.

Leading Indicators Resume Upward Movement

National economic indicators released in December indicate that the economy should continue to advance moderately in 1985. The Commerce Department announced that its Index of Leading Economic Indicators rose 1.3 percent in November to post its steepest climb in nine months. The Index had declined in three of the previous five months causing some economists to predict a recession in 1985. Few now expect that. The preliminary estimate of the Gross National Product (GNP) for the fourth quarter also rebounded to an annual rate of 2.8 percent, up from a revised 1.6 percent in the third quarter. The improvement in final sales (GNP minus inventory charge) was even greater. Final sales actually dropped 1 percent in the third quarter but rebounded to post a four percent gain in the fourth quarter. Adding to these positive developments, the seasonally adjusted unemployment rate for the nation dropped from 7.4 to 7.2 percent between October and November. The rate had been stuck on a plateau of 7.4-7.5 percent since summer.

STATE TOTAL EMPLOYMENT

JANUARY 1979-NOVEMBER 1984



STATE UNEMPLOYMENT RATE

JANUARY 1979-NOVEMBER 1984



MANUFACTURING INDUSTRIES

Seasonal factors lowered manufacturing employment 3,000 between October and November. Durable goods payrolls (down 200) dipped only slightly as seasonal losses were largely offset by further hiring in aerospace. Aerospace added 1,300 in the latest month to bring its total 1984 increase through November to 9,100. Growth in the industry has not only continued throughout the year but has accelerated in recent months. During the first six months of 1984, employment rose by an average of 400 per month; since June the average monthly gain has jumped to 1,300.

DURABLE GOODS

World Airline Industry
Posts Largest Profit
Since 1978

The outlook for the aerospace industry is encouraging. Employment gains during 1984 should be at least preserved through 1985. The world's airline industry will post a profit in 1984 of about \$800 million, the first collective profit since 1978. The International Air Transport Association (IATA) expects the industry to operate profitably in 1985 and 1986 also, assuming continued economic recovery.

IATA expects expenditures for new equipment (mainly aircraft) to total as much as \$200 billion over the next 10 years. The forecast depends on the ability of airlines to finance the purchase of new equipment. Threats to curtail or eliminate the Export-Import Bank, which finances many foreign purchases of domestic commercial jetliners, is being watched closely by the aerospace industry.

McDonnell-Douglas Seeks
Larger Share of Commercial
Airline Market

The expectation that a healthy airline industry will make heavy purchases of new equipment, has inspired the McDonnell-Douglas Corporation to double its commercial airline production in the next five years. The MD83--a fuel efficient, low noise, 155 seat competitor of the Boeing 737-300--is expected to lead the company's sales. McDonnell-Douglas will begin production of another mid-sized jetliner, the MD87, now that it has received 12 orders for the plane. This model will compete with the Boeing 737 and Airbus Industrie's A320 jetliner.

Lumber Still Down--
But Falling Interest
Rates May Give Some
Relief

Employment in the lumber industry fell 800 between October and November. While the loss over the month was largely seasonal, the industry remains extremely depressed. Employment in the industry was down 1,300 over the year in November. Compared to its prerecession level in November 1978, however, lumber employment has dropped 16,100, or 29 percent.

Winter weather conditions preclude any significant recovery until spring; but declining interest rates, if continued, will result in higher demand and employment in the industry later in 1985. According to the Federal Home Labor Bank Board, interest rates on new home loans dropped for the

fourth straight month in November to hit their lowest level since April 1984. The November average for fixed-rate long-term mortgages was still high (14.16 percent) but further declines could spark an upturn in new home construction and increase the demand for lumber. Competition from Canadian producers and mills in other areas of the U.S., however, will remain a problem for Washington lumber firms. A return to 1978 operating levels is very unlikely. Despite a multitude of problems, though, the industry will remain prominent in the state economy for the foreseeable future.

ASARCO May Close Earlier Than Expected

Primary metals employment dropped slightly in November (down 100), but more important was the announcement that the Asarco smelter near Tacoma will close in late February or early March (affecting 520 workers). The copper refinery had been expected to close in June. According to news reports 50 workers may be retained if the company decides to continue operating its arsenic plant.

Other segments of the primary metals industry are also suffering. Foundries are facing stiff competition from producers in Asia. Aluminum plants in the Northwest also find it difficult to compete with foreign producers because of the current low world price for aluminum and relatively high Northwest electric power costs. Martin Marietta recently announced that it would close its Dalles, Oregon refinery with a loss of 222 jobs. The firm sold its Goldendale, Washington plant to Australia's Comalco, Ltd.

Kaiser Aluminum Asks For Cheaper Electricity Rates

Kaiser aluminum has offered to launch a massive energy conservation program at three Washington plants in exchange for a \$600 million reduction in electricity costs by the Bonneville Power Authority (BPA). Company officials say that at least one of its three Washington plants would close next year unless BPA offers cheaper rates.

The metals industry may receive some relief from a negotiated agreement between the United States and Asian steel producers which would reduce finished imported steel from about 25 percent to 20 percent of the national Market. Japan was the first country to agree to limit its steel shipments in the recent negotiations.

Nondurable Goods

In the nondurable goods sector employment fell 2,800 between October and November as a seasonal drop in food products smothered small increases in paper-allied products and printing-publishing. The completion of fall vegetable runs at canneries and a seasonal reduction in beverage production cut payrolls in the food products industry 3,200 from October. The industry's November 1984 job

total was near its year-earlier level. Seasonal factors will likely reduce employment in the industry by about another 3,000 between November and February. A new seasonal expansion will begin in May when the asparagus crop is being processed.

Paper and allied products employment rose 400 in November because of the settlement of a labor dispute and the end of a temporary layoff. Another temporary layoff began in December and involved about 375 workers. They will be recalled in January. Both layoffs resulted from low demand for pulp.

New Mill Will Double Pend Oreille Tax Base

A positive development in the industry was the announcement that a newsprint mill will be built in northeastern Washington, 60 miles north of Spokane at Usk, Washington. Construction will begin this spring if permits can be obtained in time. Approximately 600 construction workers will be employed over a two year period on the \$210 million project. At full operation the plant will employ about 140 workers. The plant will be owned by five newspaper publishers and will mark the first new site expansion in the pulp and paper industry in the Pacific Northwest in over a decade.

Behind the expansion is the availability of wood chips from sawmills in the area, which are now shipped long distances to pulp mills. Low cost electric power from the Pend Oreille County Public Utility District was also a major factor. With one of the highest unemployment rates in the state, new industry is badly needed in Pend Oreille County. Besides providing jobs, the new mill will nearly double the County's tax base.

NONMANUFACTURING PAYROLLS

Changes in the state's nonmanufacturing industries followed past seasonal trends between October and November. Construction payrolls declined as did employment in wholesale trade and services. Losses in these industries were partially offset by seasonal expansions in retail trade and in public education.

Construction fell 3,200 from October as wet, cold weather forced slowdowns on some projects and discouraged contractors from starting new jobs. Even if the weather had been relatively mild, employment would have declined because anticipation of inclement weather inhibits scheduling of new construction at this time of year.

Construction employment added 7,100 jobs over the year. Homebuilding remained depressed but street and highway projects were expanded and commercial building was strong. Employment in the building trades, however, remained well

below prerecession levels when several thousand workers alone were employed on nuclear power projects. Compared with the 78,000 construction workers employed in November 1984, over 106,000 were employed in November 1979.

Contracts For Future
Building Statewide
Rise in November

Across the state contracts for future building rose three percent in November over last year. A healthy increase in public construction is the main reason. New building contracts in Seattle-Everett, however are being signed at a slower pace than 1983.

Employment in wholesale trade dipped 1,400 in November with fewer workers needed by apple wholesalers following the completion of the apple harvest in October. Employment in wholesale trade was 2,000 above its year-ago level in November, however.

Preliminary Reports
Show Sluggish Holiday
Sales

Retail trade employment expanded in November as usual with a gain of 2,800. Seasonal cutbacks at gasoline service stations and restaurants due to the end of the tourist season, and fall retrenchment of building material stores, were more than offset by hiring at department, apparel and miscellaneous retail stores. The latter were adding staff to help serve holiday shoppers. Additional temporary holiday workers were hired in December. According to various reports, Christmas sales did not match the percentage gain of last year, and were generally lower than most forecasts.

Employment in service industries slipped 1,300 in November with seasonal factors negative here too. Much of the drop occurred in the amusement classification because of the end of the horse racing season. Other seasonal cutbacks occurred in agricultural services--landscaping, lawn and garden care, veterinary services.

Boom in Medical
Service Jobs

Medical services were up substantially over the year. Most of the 3,000 increase in this sector was in offices of physicians and dentists. The rise likely reflects increasing competition. The growth in the number of health professionals in recent years has tended to exceed actual needs. Employment at hospitals, once a major source of new jobs, was virtually unchanged over the year. Pressure to reduce health care costs as well as changing treatment techniques has resulted in shorter hospital stays for patients and lower occupancy rates for hospitals. As a result, hospitals are now actively competing for business, through advertising in some areas of the state.

Consumer Confidence
Still High

Despite the advanced stage of the recovery, the near term outlook for retail sales looks good. Declining interest rates should encourage the sale of automobiles and other big ticket items, and falling oil prices will leave more

consumer dollars to spend on other items. Consumer confidence remains high. According to the Conference Board, the consumer confidence index of 5,000 U.S. households rose from 91.5 in October to 96.1 in November, suggesting "...a good deal of vitality is still left in the current business recovery."

Public education payrolls rose 1,500 in November as school administrators continued filling staff positions for the new school year. The net gain in civilian government was pared to 500, however, because of seasonal cutbacks in outdoor related activities--parks, recreation, land-wildlife management and agriculture. Special youth work programs were also reduced seasonally.

RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE 1/
(In Thousands)

NOT SEASONALLY ADJUSTED

	Nov. 1984 (Prel.)	Oct. 1984 (Rev.)	Nov. 1983	Oct. 1983	Change	
					Oct. 84 to Nov. 84	Nov. 83 to Nov. 84
RESIDENT CIVILIAN LABOR FORCE	2,048.3	2,089.8	2,057.1	2,080.2	-41.5	-8.8
EMPLOYMENT	1,857.8	1,907.9	1,847.7	1,882.5	-50.1	+10.1
UNEMPLOYMENT	190.5	181.9	209.4	197.7	+8.6	-18.9
Percent of Labor Force	9.3	8.7	10.2	9.5	XXX	XXX

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 2/
(In Thousands)

NOT SEASONALLY ADJUSTED

	Nov. 1984 (Prel.)	Oct. 1984 (Rev.)	Nov. 1983	Oct. 1983	change (no. of jobs)	
					Oct. 84 to Nov. 84	Nov. 83 to Nov. 84
TOTAL NONAG. WAGE AND SALARY	1,665.8	1,672.2	1,604.3	1,612.1	-6.4	+61.5
TOTAL MANUFACTURING	289.2	292.2	277.3	282.2	-3.0	+11.9
Durable Goods	200.6	200.8	190.7	191.7	-0.2	+9.9
Lumber & Wood Products	39.7	40.5	41.0	42.3	-0.8	-1.3
Furniture & Fixtures	3.3	3.3	3.5	3.5	0.0	-0.2
Stone, Clay & Glass Products	6.3	6.5	5.9	6.2	-0.2	+0.4
Primary Metals Industries	12.9	13.0	13.2	12.8 4/	-0.1	-0.3
Aluminum Prod. & Processing	8.5	8.5	8.8	8.4 4/	0.0	-0.3
Fabricated Metal Products	9.8	10.0	9.2	9.7	-0.2	+0.6
Machinery	28.4	28.6	26.4	26.5	-0.2	+2.0
Machinery (exc. electrical)	16.3	16.5	15.5	15.6	-0.2	+0.8
Electrical & Electronic Equip.	12.1	12.1	10.9	10.9	0.0	+1.2
Transportation Equipment	85.7	84.5	77.6	76.8	+1.2	+8.1
Aerospace	71.0	69.7	61.8	61.6	+1.3	+9.2
Other Transportation Equip.	14.7	14.8	15.8	15.2	-0.1	-1.1
Instruments & Related Prod.	9.8	9.8	9.7	9.7	0.0	+0.1
Misc. Manufacturing Indus.	4.7	4.6	4.2	4.2	+0.1	+0.5
Nondurable Goods	88.6	91.4	86.6	90.5	-2.8	+2.0
Food & Kindred Products	31.2	34.4	31.4	35.1	-3.2	-0.2
Canned & Preserved Foods	10.9	13.8	11.2	14.5	-2.9	-0.3
Apparel & Other Text. Products	6.3	6.4	6.1	6.0	-0.1	+0.2
Paper & Allied Products	16.3	15.9 4/	15.7	16.0	+0.4	+0.6
Printing & Publishing	16.9	16.7	16.3	16.3	+0.2	+0.6
Chemicals & Allied Products	10.8	10.8	10.3	10.2	0.0	+0.5
Other Nondurable Goods 3/	7.1	7.2	6.8	6.9	-0.1	+0.3
MINING & QUARRYING	2.6	2.6	2.9	2.9	0.0	-0.3
Construction	78.0	81.2	70.9	75.0	-3.2	+7.1
Transp. & Public Utilities	91.8	92.5	89.1	89.5	-0.7	+2.7
Wholesale & Retail Trade	414.9	413.5	406.4	404.7	+1.4	+8.5
Wholesale Trade	105.3	106.7	103.3	104.3	-1.4	+2.0
Retail Trade	309.6	306.8	303.1 4/	300.4 4/	+2.8	+6.5
Finance, Ins. & Real Estate	94.1	94.2	93.0	93.2	-0.1	+1.1
Services	347.0	348.3	328.2	329.8	-1.3	+18.8
Government	348.2	347.7	336.5	334.8	+0.5	+11.7
Federal	69.0	69.3	67.6	67.8	-0.3	+1.4
State & Local	279.2	278.4	268.9	267.0	+0.8	+10.3
Education	155.4	153.9	148.8	146.4	+1.5	+6.6
Workers in Labor Management Disputes	0.0	0.3	0.8	5.1	-0.3	-0.8

1/ These data are alternative estimates which are more nearly comparable to data released in previous years than are official Bureau of Labor Statistics estimates developed for Federal program purposes.

2/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

3/ Includes textile mill products, rubber and miscellaneous plastics products, petroleum and refining and related products, and leather products.

4/ Excludes workers involved in labor-management disputes.

✓ WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

December 27, 1984
Benchmark 1983

(Not Seasonally Adjusted)

	November 1984 Preliminary 3/				October 1984 Revised			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total 1/	2,033,400	1,856,200	177,200	8.7	2,063,600	1,893,700	169,900	8.2
Bellingham SMSA	51,500	46,100	5,400	10.5	51,300	46,200	5,100	9.9
Bremerton SMSA	64,100	59,900	4,200	6.6	64,200	60,000	4,200	6.5
Olympia SMSA	58,900	53,600	5,300	9.0	59,100	53,500	5,600	9.5
Seattle-Everett SMSA	909,800	846,500	63,300	7.0	909,100	844,700	64,400	7.1
King County	717,000	669,000	48,000	6.7	717,000	667,500	49,500	6.9
Snohomish County	192,800	177,500	15,300	7.9	192,100	177,200	14,900	7.8
Spokane SMSA	153,200	140,900	12,300	8.0	153,600	141,800	11,800	7.7
Tacoma SMSA	191,800	174,000	17,800	9.3	192,100	174,100	18,000	9.4
Tri-Cities Area 2/	70,600	62,600	8,000	11.3	71,500	64,200	7,300	10.2
Yakima SMSA	82,700	72,200	10,500	12.7	98,100	88,600	9,500	9.7
Wenatchee Labor Area 2/	35,790	31,960	3,830	10.7	39,470	36,570	2,900	7.3
Adams	7,320	6,500	820	11.2	7,490	6,910	580	7.7
Asotin	8,390	7,690	700	8.3	8,560	7,930	630	7.4
Clallam	19,130	16,590	2,540	13.3	19,610	16,750	2,860	14.6
Clark	92,600	86,090	6,510	7.0	92,630	86,420	6,210	6.7
Columbia	1,710	1,460	250	14.6	1,710	1,520	190	11.1
Cowlitz	31,560	27,540	4,020	12.7	31,600	27,950	3,650	11.6
Ferry	2,540	2,190	350	13.8	2,610	2,290	320	12.3
Garfield	1,170	1,090	80	6.8	1,230	1,160	70	5.7
Grant	22,020	19,180	2,840	12.9	22,540	20,290	2,250	10.0
Grays Harbor	28,940	24,380	4,560	15.8	28,910	25,110	3,800	13.1
Island	15,040	13,780	1,260	8.4	15,060	13,890	1,170	7.8
Jefferson	6,730	6,130	600	8.9	6,840	6,250	590	8.6
Kittitas	11,180	9,950	1,230	11.0	11,510	10,520	990	8.6
Klickitat	7,200	6,180	1,020	14.2	7,100	6,410	690	9.7
Lewis	24,110	20,390	3,720	15.4	24,520	21,230	3,290	13.4
Lincoln	4,370	4,100	270	6.2	4,610	4,370	240	5.2
Mason	11,320	10,160	1,160	10.2	10,740	9,820	920	8.6
Okanogan	14,530	12,200	2,330	16.0	21,160	18,970	2,190	10.3
Pacific	7,140	5,500	1,640	23.0	6,890	5,810	1,080	15.7
Pend Oreille	3,980	3,380	600	15.1	4,000	3,490	510	12.8
San Juan	3,680	3,400	280	7.6	3,740	3,520	220	5.9
Skagit	32,650	28,040	4,610	14.1	33,200	29,130	4,070	12.3
Skamania	2,690	2,150	540	20.1	2,690	2,280	410	15.2
Stevens	11,580	9,950	1,630	14.1	11,780	10,230	1,550	13.2
Wahkiakum	1,520	1,320	200	13.2	1,430	1,290	140	9.8
Walla Walla	25,010	22,790	2,220	8.9	25,560	23,670	1,890	7.4
Whitman	16,870	16,290	580	3.4	17,250	16,740	510	3.0

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.

2/ Includes Benton and Franklin counties.

3/ Includes Chelan and Douglas counties.

Research and Analysis Branch

Washington State
EMPLOYMENT SECURITY DEPARTMENT

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: December 27, 1984
Benchmark: 1983

(Not Seasonally Adjusted)

John Spellman, Governor
Norward J. Brooks, Commissioner

	November 1984 Preliminary 3/				October 1984 Revised				November 1983 Revised			
	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate
Washington State Total 1/	2,048,300	1,857,800	190,500	9.3	2,089,800	1,907,900	181,900	8.7	2,057,100	1,847,700	209,400	10.2
Bellingham SMSA	51,900	46,100	5,800	11.2	52,100	46,600	5,500	10.6	51,900	46,200	5,700	11.0
Bremerton SMSA	64,500	60,000	4,500	7.0	65,000	60,500	4,500	6.9	65,100	60,100	5,000	7.7
Olympia SMSA	59,400	53,700	5,700	9.6	59,900	53,900	6,000	10.0	57,600	51,100	6,500	11.3
Seattle-Everett SMSA	915,300	847,300	68,000	7.4	920,000	851,000	69,000	7.5	911,000	831,900	79,100	8.7
Spokane SMSA	154,300	141,000	13,300	8.6	155,500	142,900	12,600	8.1	155,500	141,700	13,800	8.9
Tacoma SMSA	193,200	174,100	19,100	9.9	194,700	175,400	19,300	9.9	191,900	170,100	21,800	11.4
Tri-Cities Area 2/	71,300	62,700	8,600	12.1	72,500	64,700	7,800	10.8	75,500	65,100	10,400	13.8
Yakima SMSA	83,600	72,300	11,300	13.5	99,500	89,300	10,200	10.3	83,200	71,100	12,100	14.5
Wenatchee Labor Area 2/	36,090	31,980	4,110	11.4	39,950	36,840	3,110	7.8	37,380	33,180	4,200	11.2
Adams	7,390	6,510	880	11.9	7,580	6,960	620	8.2	7,620	6,650	970	12.7
Asotin	8,460	7,700	760	9.0	8,660	7,990	670	7.7	8,580	7,830	750	8.7
Clallam	19,330	16,600	2,730	14.1	19,940	16,880	3,060	15.3	20,020	16,560	3,460	17.3
Clark	93,160	86,160	7,000	7.5	93,720	87,070	6,650	7.1	94,450	85,770	8,680	9.2
Columbia	1,720	1,460	260	15.1	1,730	1,530	200	11.6	1,730	1,390	340	19.7
Cowlitz	31,880	27,560	4,320	13.6	32,070	28,160	3,910	12.2	34,010	29,170	4,840	14.2
Ferry	2,570	2,190	380	14.8	2,650	2,310	340	12.8	2,600	2,250	350	13.5
Garfield	1,170	1,090	80	6.8	1,250	1,170	80	6.4	1,220	1,110	110	9.0
Grant	22,260	19,200	3,060	13.7	22,860	20,450	2,410	10.5	24,060	20,880	3,180	13.2
Grays Harbor	29,310	24,400	4,910	16.8	29,370	25,300	4,070	13.9	29,200	24,890	4,310	14.8
Island	15,150	13,790	1,360	9.0	15,250	14,000	1,250	8.2	15,520	14,110	1,410	9.1
Jefferson	6,780	6,130	650	9.6	6,920	6,290	630	9.1	6,650	6,020	630	9.5
Kittitas	11,280	9,950	1,330	11.8	11,660	10,600	1,060	9.1	11,540	10,280	1,260	10.9
Klickitat	7,270	6,180	1,090	15.0	7,200	6,460	740	10.3	7,240	6,130	1,110	15.3
Lewis	24,410	20,410	4,000	16.4	24,910	21,390	3,520	14.1	24,750	21,160	3,590	14.5
Lincoln	4,380	4,100	280	6.4	4,650	4,400	250	5.4	4,310	4,080	230	5.3
Mason	11,420	10,170	1,250	10.9	10,890	9,900	990	9.1	11,340	10,170	1,170	10.3
Okanogan	14,710	12,210	2,500	17.0	21,450	19,110	2,340	10.9	15,470	13,190	2,280	14.7
Pacific	7,270	5,510	1,760	24.2	7,020	5,860	1,160	16.5	7,120	5,880	1,240	17.4
Pend Oreille	4,030	3,390	640	15.9	4,060	3,520	540	13.3	3,950	3,360	590	14.9
San Juan	3,700	3,400	300	8.1	3,780	3,540	240	6.3	3,750	3,470	280	7.5
Skagit	33,010	28,060	4,950	15.0	33,700	29,350	4,350	12.9	34,240	29,680	4,560	13.3
Skamania	2,730	2,150	580	21.2	2,740	2,300	440	16.1	2,950	2,430	520	17.6
Stevens	11,710	9,960	1,750	14.9	11,960	10,300	1,660	13.9	11,710	9,920	1,790	15.3
Wahkiakum	1,540	1,320	220	14.3	1,440	1,290	150	10.4	1,320	1,200	120	9.1
Walla Walla	25,190	22,810	2,380	9.4	25,870	23,850	2,020	7.8	25,700	23,160	2,540	9.9
Whitman	16,930	16,310	620	3.7	17,410	16,860	550	3.2	16,880	16,320	560	3.3

1/ Detail may not add due to rounding.

2/ The Tri-Cities area includes all of Benton and Franklin Counties. The Wenatchee Labor Area includes all of Chelan and Douglas counties.

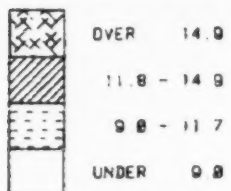
3/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

Research and Analysis Branch

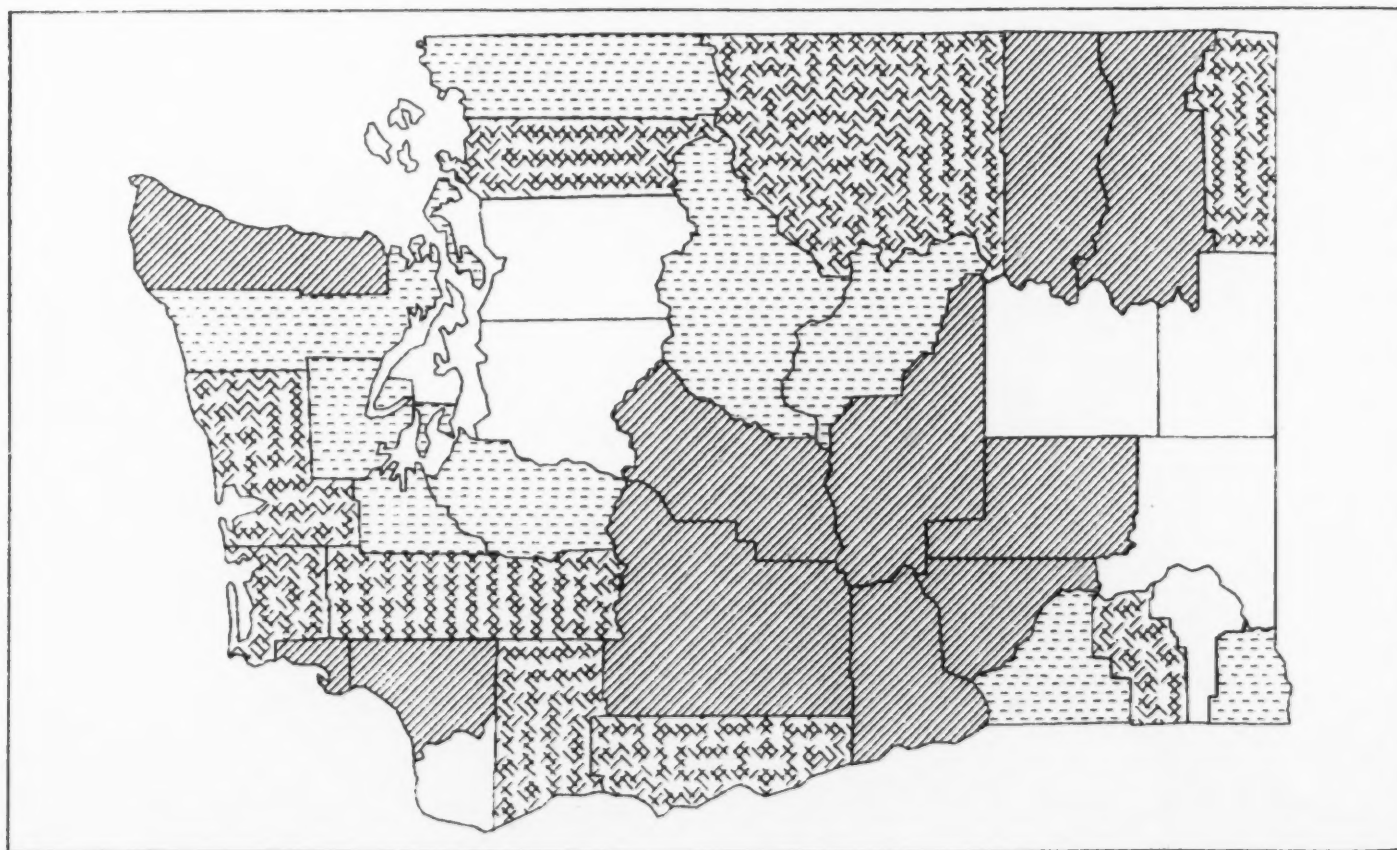
✓ ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF
NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Oct. 1984 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Oct. 1984	Sep. 1984	Oct. 1983	Oct. 1984	Sep. 1984	Oct. 1983	Oct. 1984	Sep. 1984	Oct. 1983
TOTAL MANUFACTURING INDUSTRIES ^{1/}	184,700	\$450.45	\$451.21	\$449.59	39.0	39.1	39.3	\$11.55	\$11.54	\$11.44
<u>Selected Manufacturing Industries</u>										
Lumber & wood products	36,600	430.40	439.24	430.85	37.2	37.8	38.4	11.57	11.62	11.22
Primary metal industries	10,100	552.75	526.38	551.33	40.2	39.4	40.9	13.75	13.36	13.48
Fabricated metal products	7,800	456.03	477.05	463.34	40.5	41.7	39.5	11.26	11.44	11.73
Machinery	17,200	357.74	370.40	392.58	38.8	40.0	40.1	9.22	9.26	9.79
Food & kindred products	26,800	345.95	358.51	348.77	38.1	38.8	38.2	9.08	9.24	9.13
Chemicals & allied products	5,000	545.49	548.89	533.41	41.8	41.9	42.2	13.05	13.10	12.64
 SELECTED NONMANUFACTURING INDUSTRIES										
Construction	61,500	568.48	603.47	624.50	35.2	37.0	36.8	16.15	16.31	16.97
Wholesale and retail trade	258,300	309.70	325.47	320.21	33.7	35.3	35.5	9.19	9.22	9.02

^{1/} Average hourly earnings for all manufacturing production workers reported in this table do not reflect the official U.S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.



NOVEMBER
UNEMPLOYMENT
RATES





Washington State
Employment Security Department

Isiah Turner, *Commissioner*

Prepared by the
Research & Analysis Branch
Olympia, WA 98504
(206) 753-5142

In cooperation with
the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 9, Number 1

January, 1985

HIGHLIGHTS

Holiday Retail Jobs
Cushion Seasonal Cutbacks

Seasonal conditions influenced the state job market in December in both positive and negative ways. Retail stores hired thousands of temporary workers to help serve holiday shoppers; but gains in retail trade payrolls were more than offset by further cutbacks in agriculture, lumber, food processing, construction, and other seasonal industries. Total employment dropped 12,500 with 5,800 of the reduction in nonfarm wage and salary employment. As a result, total unemployment in Washington State rose 9,700 from November, reaching 200,300 in December. The

	<u>Dec. 1984*</u> (Prel.)	<u>Nov. 1984*</u> (Rev.)	<u>Dec. 1983</u>
Civilian			
Labor Force	2,047,300	2,050,100	2,047,700
Total Employment	1,847,000	1,859,500	1,836,700
Total Unemployment	200,300	190,600	211,000
State Unemployment			
Rate	9.8	9.3	10.3
National Civilian			
Unemployment Rate	7.0	6.9	8.0

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more nearly comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for Federal program purposes. (Data in this table are not seasonally adjusted.)

unemployment rate increased from 9.3 in November to 9.8 percent in December. (Data are not seasonally adjusted.) Nonetheless, unemployment remained well under 1983 levels. Compared with December 1983, there were 10,700 fewer workers unemployed, while the jobless rate was down one-half point. Seasonally adjusted data, which filter out the effects of recurrent seasonal job hiring and separation patterns, show a small drop in the state's December jobless rate of 0.1 of a percentage point. This suggests that there is still momentum in the recovery.

Aerospace Soars

The number of nonagricultural wage and salary jobs remained more than 60,000 higher than in 1983. Major growth areas were manufacturing, services, government, construction and trade. Manufacturing added 11,100 workers between December 1983 and 1984. Aerospace alone added 9,500 workers. Sales by The Boeing Company in 1984 totaled about \$2.5 billion, up from \$2.2 billion in 1983. The outlook for 1985 is also promising with Boeing now expecting to add an additional 3,000 workers. While a 3,000 increase would not match the firm's 8,000 gain in 1984, one aerospace analyst expects Boeing to continue to expand for the next two or three years because of strong demand for commercial airliners.

A number of other industries also contributed to the year-to-year expansion in manufacturing. Machinery, up 2,300, was credited with the largest expansion following aerospace. Much of the increase resulted from continued expansion in the electronics industry. Other industries contributing to the growth included pulp-paper (up 400), printing-publishing (up 600), and chemicals (up 500).

Not Out of The Woods Yet

Losses in lumber (off 2,000), aluminum (off 300) and other transportation equipment (off 1,600) partially offset other manufacturing gains. While lumber employment was down over the year, its average for 1984 was about the same as in 1983. Payrolls in the industry started 1984 well above the previous year's level, but dropped below 1983 as high interest rates dampened residential home building.

Business Services Help Lead Nonmanufacturing Expansion

The large services group led the year-to-year expansion in the nonmanufacturing industries with a gain of 21,500. All major segments of the industry posted gains, but business services were particularly strong. Sizable gains were also noted at hotels, in medical services, and in private social services (e.g., day care). Government civilian employment posted a 12-month gain of 9,400. State and local payrolls rose 7,700. Economic recovery led to higher tax revenues which permitted government agencies to expand. Federal civilian employment moved up 1,700.

Commercial Building
and Public Works
Boost Construction Jobs

Construction employment rose 7,500 over the year. Home-building was still at a low level but commercial and street-highway construction was strong. Trade employment moved up 6,500 year to year reflecting greater earnings in the goods-producing industries and more confident consumers.

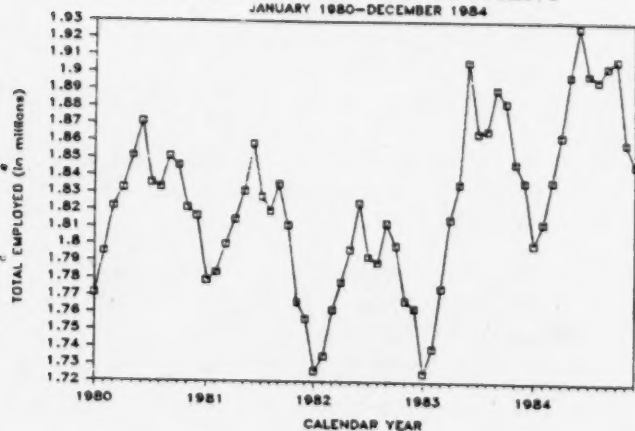
Nationally:
Personal Income and
G.N.P. Rise

Despite a third quarter lull which raised fears of another recession, most national economic data indicate a positive job outlook for 1985. An exception was the Index of Leading Economic Indicators, which edged down 0.2 percent in December. By contrast, personal income posted its strongest growth in 11 years in 1984. The increase was nearly double the 3.5 percent gain in 1983. In December alone, personal income rose 0.5 percent and consumer spending increased 1.2 percent. Third quarter 1984 data, the latest available for states, show personal income in Washington State rising at a faster pace than it did nationally. Personal income in the state was up 2.4 percent between the second and third quarter of 1984 versus an increase of 2.0 percent nationally.

The Gross National Product (GNP), the Commerce Department's measure of overall economic activity, rose 6.8 percent in 1984 to post its largest gain in 33 years. The 3.9 percent annual rate increase in the fourth quarter was a considerable improvement from the weak 1.6 percent gain in the third quarter. Second quarter growth was estimated at 7.1 percent. The dramatic drop in the third quarter led some economists to predict a recession was at hand. The fourth quarter growth rate suggests the recovery still has considerable momentum.

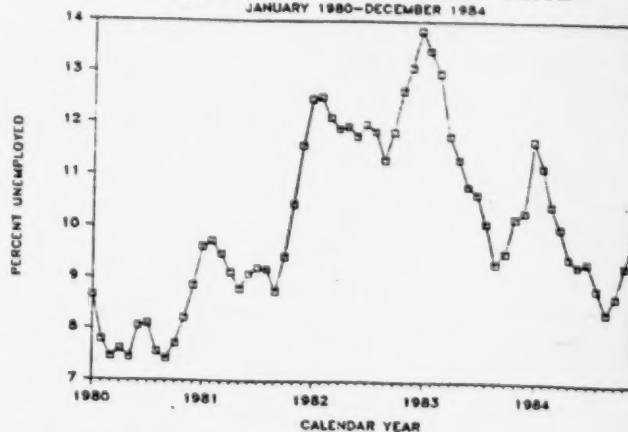
STATE TOTAL EMPLOYMENT

JANUARY 1980-DECEMBER 1984



STATE UNEMPLOYMENT RATE

JANUARY 1980-DECEMBER 1984



MANUFACTURING INDUSTRIES

Manufacturing employment dropped 4,600 between November and December in Washington State, but the loss was anticipated because of normal seasonal job separations in the lumber and food processing industries. Food and kindred products employment dropped 2,000 in December but remained close to its year-earlier level. Plants which manufacture frozen french fries, hash browns and other types of processed potatoes and others which prepare juices were exceptions to heavy seasonal declines in food processing payrolls.

Employment in the lumber and wood products industry fell 1,700 in December. Most of the drop was seasonal with over one-half of the job loss in logging where weather conditions were a factor. Restructuring continues in the industry in order to meet competition from Canadian and southern United States producers. Workers at some plants have agreed to wage freezes or cuts and changes in rules which allow plants to operate with fewer workers.

Simpson Timber to Cut Back

In early January, Simpson Timber Company announced that it would phase out non-competitive operations and eliminate 600 jobs over the next 15 months. Simpson, however, also plans to invest an additional \$40 million in its Washington and California operations, with over \$20 million in the Shelton-McCleary area. Simpson plans to close its McCleary plywood plant by 1986 and consolidate plywood manufacturing at Shelton. Its door plant at McCleary will be modernized. Simpson will also close two logging camps in Mason County as well as a sawmill and planing mill. Supervisory and service functions will also be reduced. The firm will still employ about 1,200 workers in Mason and Grays Harbor counties when its programs are complete.

Automation Has Also Cut Lumber Payrolls

With interest rates once again headed lower, homebuilding could rebound in 1985 and boost job totals in lumber. Automation and increased productivity are also major factors in reduced lumber employment. According to the Western Wood Products Association there were 650 lumber mills operating in the West at the end of 1984 compared with 818 mills operating in 1979. Lumber production capacity, however, was unchanged.

Further Erosion in Metals

Fabricated metal products payrolls dipped 500 in December. A major part of the loss resulted from a firm which dropped a product line because of foreign competition. Employment in fabricated metals, however, remained slightly above its year-earlier level.

Aluminum employment which rose from 1983 through the first quarter of 1984 in response to resurgent demand from the automobile and construction industries, declined because of competition from low cost foreign producers. Foreign competition has affected other metal producers in

West Seattle's Bethlehem
Steel Plant Sold

the state as well. Bethlehem Steel recently sold its West Seattle plant. To insure the plant would not close, workers agreed to take a substantial cut in pay and benefits and to change work rules requiring certain staffing levels. The new plant, now known as Seattle Steel, will modernize with an investment of about \$10 million by the new owners over the next year. News reports indicate the plant now has 275 union workers, which is less than one-half the number employed there in earlier years. The new firm hopes to expand, depending on the market for steel.

The employment situation in aluminum will depend heavily on the course of electricity rates. If a Federal Administration proposal, to hike interest rates on debt owed by the Bonneville Power Authority, is approved by Congress, the Northwest aluminum industry may experience a further decline in payrolls.

New Financing Boosts
Job Prospects for
Tacoma Boatbuilding Company

A loss of 400 jobs was noted in other transportation equipment largely because of job reductions in shipbuilding. The decline in this sector also resulted from competition. In this case the competition is not from foreign countries, but from east and gulf coast shipyards where wages are lower. Financial difficulties of Tacoma Boatbuilding Company were also a factor in the job loss. New financing for the company, resulting from the sale of 60 percent of its stock to Midland Capital Corporation of New York, has now solved Tacoma Boat's cash problems. The shipyard expects to hire 500 new employees in early 1985.

Boeing to Hire 3,000
in 1985

Aerospace posted the only sizable gain in manufacturing during December. The increase of 300 was well below that of recent months, but hiring is normally postponed in December because of the holidays. Employment in aerospace rose an average of over 1,300 monthly between June and November 1984.

A recent forecast by company officials says that Boeing will add 3,000 workers in 1985. The number of workers actually hired, however, would be substantially greater. Because of the size of Boeing's workforce, a large number of individuals must be added just to offset turnover resulting from retirements and other separations. The firm's major demand will be for machinists and other skilled factory workers, electronic and electrical engineers, and computer software scientists.

The longer-term outlook for aerospace is also favorable. Thousands of airplanes delivered in the late 1960's must be replaced soon, but now orders will depend on the continued profitability of the airline industry. China is also expected to buy many aircraft but Boeing will face competition from the McDonnell Douglas Corp. The

firm already has a joint venture for parts produced in China and has a letter of intent to produce 25 planes to be partly assembled in Shanghai.

A Proposal to Cut
Export-Import Bank
Loans Worries Domestic
Aerospace Industry

A decline in Boeing's foreign sales could occur if Congress adopts a Federal Administration proposal to eliminate direct loans by the Export-Import Bank to foreign purchasers of commercial aircraft. The proposal, however, would still allow the Bank to provide interest rate subsidies to private banks which lend at below-market rates to prospective buyers of American goods. It is not clear whether this novel approach would seriously harm foreign sales of American-built commercial airliners. Aerospace industry analysts say that direct loans by the Export-Import Bank have helped Boeing compete with Airbus Industries--the European commercial aircraft consortium--in the international airline market.

NONMANUFACTURING INDUSTRIES

Holiday Sales
Boost Employment

December employment in the state's nonmanufacturing industries was also affected by seasonal factors. Retail outlets continued to add temporary employees to help serve holiday shoppers causing retail trade employment to rise 4,800. The Commerce Department reported that national retail sales dropped a slight 0.1 percent in December on a seasonally adjusted basis, following a strong 2 percent gain in November. Excluding automobiles, however, sales rose 0.5 in December. Before seasonal adjustment, total retail sales in the nation rose from \$113.78 billion to \$132.97 billion between November and December. The 17 percent increase in the unadjusted total resulted in substantial, if temporary, additions in sales help.

Ski Season
Creates Jobs

Employment in service industries rose 700 over the month. Private education payrolls were lower because of the approaching holidays, but health services employment expanded along with jobs in amusements. The increase in the latter occurred at firms operating ski schools and ski lifts.

Homebuilding Outlook
Improves

Construction employment fell 2,200 over the month which was slightly less than anticipated for the season. Housing starts nationally rose 2.1 percent in December but building permits fell a slight 0.2 percent, both on a seasonally adjusted annual rate basis. Actual housing starts in December, of course, declined because of less favorable weather conditions but the increase on a seasonally adjusted basis indicates a brighter outlook for homebuilding during the spring and summer of 1985. Declining interest rates, low inflation and an expanding economy also bode well for homebuilding and construction employment.

Government civilian employment fell 3,200 between November and December. Federal civilian payrolls rose 400 because of temporary holiday hiring at post offices. State and

local employment, however, fell 3,600 with 2,400 of the loss in education. Fewer student employees were reported by colleges and universities because of the holiday break. The beginning of a new school term in January will see education recoup part or all of the December drop. The start of a new legislative session will add to noneducation state payrolls in January.

Proposed Federal Budget
Includes Money for Naval
Task Group at Everett

Approximately 5,000 new military and civilian jobs will develop at Navy bases in Kitsap County by the end of the decade according to the Defense Department. Most of the new jobs will support the growing Trident submarine fleet. The Fiscal Year 1986 budget proposed by the Federal Administration also includes \$17.6 million to buy land for the Navy's Everett home port. Stationing the task group in Everett is expected to create 23,000 military and civilian jobs for the labor area by the end of the decade.

Apples Everywhere

In other significant December developments involving nonmanufacturing industries, wholesale trade employment fell 1,300. Here, too, the loss was largely seasonal with most of the layoffs occurring at fruit and vegetable warehouses. Nonetheless, fruit wholesalers were busy in December. Sales of 5.5 million boxes of apples were reported for December 1984. Through December 31, nearly 3.9 million boxes were exported this season with over one million boxes of apples sold to Saudi Arabia alone.

EMPLOYMENT OUTLOOK:
THE NATIONAL CONTEXT

On the national level a further drop in the prime lending rate charged by major banks led recent developments. The prime rate, which banks charge to preferred customers, fell to 10.5 percent in mid-January, the lowest level since 1983.

Further declines in interest rates were made possible by low inflation during 1984. The year ended with prices 4.0 percent higher than in 1983. In the Seattle-Everett area, prices were just 3.6 percent higher in November 1984, than in November 1983. (Latest consumer price index data is provided on page 8.)

Lower Interest Rates
Contribute to Rise
in Production

Industrial production nationally rose a strong 0.6 percent in December according to the Federal Reserve Board. The December rise followed a 0.4 percent gain in November and declines in both September and October. The December increase was widespread and included manufacturers of consumer goods, business equipment, defense and space equipment, construction supplies and mining.

Contrasting with the increase in personal income, GNP, and industrial production, the Conference Board's index of consumer confidence fell from 96.8 in November to 85.6 in December; buying plans fell from 102.7 to 95.9.

Declining interest rates and a rebound in production should help the state's manufacturing sector at least preserve the small job gains of 1984. Depressed sectors, such as lumber and aluminum, could stage a modest comeback.

With interest rates falling and forecasts of a capital investment surge in 1985, a decline in consumer activity would have less impact on the state than on the national economy. Despite an expanding services sector, the health of the state economy is still closely tied to its interest rate sensitive capital goods industries. The main drag on both state and national manufacturing, however, is competition from foreign manufacturers of capital goods and other durables.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	<u>INDEXES</u>			<u>PERCENT CHANGE</u>			
	<u>Dec</u> <u>1983</u>	<u>Nov</u> <u>1984</u>	<u>Dec</u> <u>1984</u>	<u>Year</u> <u>Ending</u>		<u>2 Months</u> <u>Ending</u>	
				<u>Nov</u> <u>1984</u>	<u>Dec</u> <u>1984</u>	<u>Nov</u> <u>1984</u>	<u>Dec</u> <u>1984</u>
U.S. City Average	303.5	315.3	315.5	4.0	4.0	0.3	0.1
Seattle-Everett	--	318.1	--	3.6	--	0.5	--

AREA WAGE SURVEY
REPORT AVAILABLE
FOR SKAGIT, ISLAND
AND SAN JUAN COUNTIES

The Wage Analysis Unit of the Research and Analysis Branch recently completed an occupational wage survey for Skagit, Island and San Juan Counties. The survey report, based upon data from 177 establishments, presents wage ranges and averages for clerical, managerial, professional, technical and general occupations. The report, titled "AREA WAGE SURVEY, SKAGIT-ISLAND-SAN JUAN COUNTIES, NOVEMBER 1984" is available on request from Research and Analysis, P.O. Box 46502, Seattle, Washington 98146. Phone (206) 764-6453.

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/
(In Thousands)

NOT SEASONALLY ADJUSTED

	Dec. 1984 (Prel.)	Nov. 1984 (Rev.)	Dec. 1983	Nov. 1983	Change	
					Nov. 84 to Dec. 84	Dec. 83 to Dec. 84
TOTAL NONAG. WAGE AND SALARY	1,661.6	1,667.4	1,601.4	1,604.3	-5.8	+60.2
TOTAL MANUFACTURING	284.8	289.4	273.7	277.3	-4.6	+11.1
Durable Goods	198.1	200.8	189.0	190.7	-2.7	+9.1
Lumber & Wood Products	38.0	39.7	40.0	41.0	-1.7	-2.0
Furniture & Fixtures	3.3	3.3	3.4	3.5	0.0	-0.1
Stone, Clay & Glass Products	6.1	6.3	5.8	5.9	-0.2	+0.3
Primary Metals Industries	12.8	12.9	13.1	13.2	-0.1	-0.3
Aluminum Prod. & Processing	8.5	8.5	8.8	8.8	0.0	-0.3
Fabricated Metal Products	9.4	9.9	9.1	9.2	-0.5	+0.3
Machinery	28.3	28.4	26.0	26.4	-0.1	+2.3
Machinery (exc. electrical)	16.2	16.3	15.0	15.5	-0.1	+1.2
Electrical & Electronic Equip.	12.1	12.1	11.0	10.9	0.0	+1.1
Transportation Equipment	85.7	85.8	77.8	77.6	-0.1	+7.9
Aerospace	71.4	71.1	61.9	61.8	+0.3	+9.5
Other Transportation Equip.	14.3	14.7	15.9	15.8	-0.4	-1.6
Instruments & Related Prod.	10.0	9.9	9.7	9.7	+0.1	+0.3
Misc. Manufacturing Indus.	4.5	4.6	4.1	4.2	-0.1	+0.4
Nondurable Goods	86.7	88.6	84.7	86.6	-1.9	+2.0
Food & Kindred Products	29.3	31.3	29.5	31.4	-2.0	-0.2
Canned & Preserved Foods	9.3	11.0	9.0	11.2	-1.7	+0.3
Apparel & Other Text. Products	6.3	6.3	5.9	6.1	0.0	+0.4
Paper & Allied Products	16.2	16.2	15.8	15.7	0.0	+0.4
Printing & Publishing	16.9	16.9	16.3	16.3	0.0	+0.6
Chemicals & Allied Products	10.9	10.8	10.4	10.3	+0.1	+0.5
Other Nondurable Goods <u>2/</u>	7.1	7.1	6.8	6.8	0.0	+0.3
MINING & QUARRYING	2.6	2.6	2.9	2.9	0.0	-0.3
Construction	75.7	77.9	68.2	70.9	-2.2	+7.5
Transp. & Public Utilities	91.8	92.1	88.8 <u>3/</u>	89.1 <u>3/</u>	-0.3	+3.0
Wholesale & Retail Trade	418.9	415.4	412.4	406.4	+3.5	+6.5
Wholesale Trade	104.0	105.3	103.1	103.3	-1.3	+0.9
Retail Trade	314.9	310.1	309.3	303.1 <u>3/</u>	+4.8	+5.6
Finance, Ins. & Real Estate	94.4	94.1	92.9	93.0	+0.3	+1.5
Services	348.6	347.9	327.1	328.2	+0.7	+21.5
Government	344.8	348.0	335.4	336.5	-3.2	+9.4
Federal	69.4	69.0	67.7	67.6	+0.4	+1.7
State & Local	275.4	279.0	267.7	268.9	-3.6	+7.7
Education	152.8	155.2	148.2	148.8	-2.4	+4.6
Workers in Labor Management						
Disputes	0.0	0.0	1.1	0.8	0.0	-1.1

- 1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.
- 2/ Includes textile mill products, rubber and miscellaneous plastics products, petroleum and refining and related products, and leather products.
- 3/ Excludes workers involved in labor-management disputes.

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

January 23, 1985
Benchmark 1983

(Not Seasonally Adjusted)

	December 1984 Preliminary 3/				November 1984 Revised			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total 1/	2,044,900	1,853,600	191,300	9.4	2,035,000	1,857,700	177,300	8.7
Bellingham SMSA	50,300	44,600	5,700	11.3	51,200	45,800	5,400	10.5
Bremerton SMSA	64,600	60,200	4,400	6.8	63,800	59,700	4,100	6.4
Olympia SMSA	59,700	54,000	5,700	9.5	58,700	53,400	5,300	9.0
Seattle-Everett SMSA	916,700	849,500	67,200	7.3	909,500	846,300	63,200	6.9
King County	722,000	671,300	50,700	7.0	716,700	668,800	47,900	6.7
Snohomish County	194,700	178,200	16,500	8.5	192,800	177,500	15,300	7.9
Spokane SMSA	155,700	142,000	13,700	8.8	155,000	142,700	12,300	7.9
Tacoma SMSA	194,800	175,800	19,000	9.8	192,800	175,100	17,700	9.2
Tri-Cities Area 2/	70,300	61,600	8,700	12.4	70,400	62,400	8,000	11.4
Yakima SMSA	81,700	69,800	11,900	14.6	82,700	72,200	10,500	12.7
Wenatchee Labor Area 2/	36,460	31,830	4,630	12.7	36,070	32,230	3,840	10.6
Adams	7,060	6,150	910	12.9	7,330	6,490	840	11.5
Asotin	8,340	7,580	760	9.1	8,380	7,670	710	8.5
Clallam	19,290	16,600	2,690	13.9	19,040	16,530	2,510	13.2
Clark	93,220	86,460	6,760	7.3	92,820	86,170	6,650	7.2
Columbia	1,690	1,430	260	15.4	1,710	1,460	250	14.6
Cowlitz	31,260	27,250	4,010	12.8	31,470	27,450	4,020	12.8
Ferry	2,530	2,150	380	15.0	2,530	2,180	350	13.8
Garfield	1,170	1,070	100	8.5	1,160	1,080	80	6.9
Grant	22,160	18,970	3,190	14.4	22,100	19,250	2,850	12.9
Grays Harbor	29,060	24,490	4,570	15.7	28,910	24,330	4,580	15.8
Island	15,130	13,770	1,360	9.0	14,960	13,710	1,250	8.4
Jefferson	6,680	5,910	770	11.5	6,730	6,110	620	9.2
Kittitas	11,210	9,770	1,440	12.8	11,170	9,910	1,260	11.3
Klickitat	6,970	5,800	1,170	16.8	7,190	6,160	1,030	14.3
Lewis	24,160	20,170	3,990	16.5	24,110	20,380	3,730	15.5
Lincoln	4,340	4,050	290	6.7	4,360	4,090	270	6.2
Mason	10,950	9,700	1,250	11.4	11,320	10,150	1,170	10.3
Okanogan	14,370	11,610	2,760	19.2	14,480	12,130	2,350	16.2
Pacific	7,210	5,430	1,780	24.7	7,150	5,510	1,640	22.9
Pend Oreille	4,120	3,440	680	16.5	3,960	3,370	590	14.9
San Juan	3,550	3,240	310	8.7	3,570	3,290	280	7.8
Skagit	33,070	27,960	5,110	15.5	32,690	28,100	4,590	14.0
Skamania	2,800	2,150	650	23.2	2,690	2,140	550	20.4
Stevens	11,660	9,860	1,800	15.4	11,550	9,920	1,630	14.1
Wahkiakum	1,250	1,030	220	17.6	1,410	1,210	200	14.2
Walla Walla	24,810	22,270	2,540	10.2	24,930	22,720	2,210	8.9
Whitman	16,470	15,870	600	3.6	16,830	16,240	590	3.5

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.

2/ Includes Benton and Franklin counties.

3/ Includes Chelan and Douglas counties.

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: January 23, 1985
Benchmark: 1983

(Not Seasonally Adjusted)

	December 1984 Preliminary 3/				November 1984 Revised				December 1983 Revised			
	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate
Washington State Total 1/	2,047,300	1,847,000	200,300	9.8	2,050,100	1,859,500	190,600	9.3	2,047,700	1,836,700	211,000	10.3
Bellingham SMSA	50,500	44,500	6,000	11.9	51,600	45,800	5,800	11.2	51,800	45,800	6,000	11.6
Bremerton SMSA	64,600	60,000	4,600	7.1	64,300	59,800	4,500	7.0	64,900	60,100	4,800	7.4
Olympia SMSA	59,800	53,800	6,000	10.0	59,200	53,500	5,700	9.6	57,800	51,300	6,500	11.2
Seattle-Everett SMSA	916,800	846,500	70,300	7.7	915,100	847,100	68,000	7.4	908,600	831,600	77,000	8.5
Spokane SMSA	155,900	141,500	14,400	9.2	156,100	142,900	13,200	8.5	154,700	140,900	13,800	8.9
Tacoma SMSA	195,100	175,200	19,900	10.2	194,300	175,300	19,000	9.8	191,200	170,000	21,200	11.1
Tri-Cities Area 2/	70,400	61,300	9,100	12.9	71,100	62,500	8,600	12.1	74,300	63,900	10,400	14.0
Yakima SMSA	82,000	69,500	12,500	15.2	83,600	72,300	11,300	13.5	83,600	70,000	13,600	16.3
Wenatchee Labor Area 2/	36,560	31,710	4,850	13.3	36,400	32,270	4,130	11.3	37,060	32,470	4,590	12.4
Adams	7,080	6,130	950	13.4	7,400	6,500	900	12.2	7,390	6,250	1,140	15.4
Asotin	8,350	7,560	790	9.5	8,440	7,670	770	9.1	8,520	7,720	800	9.4
Clallam	19,350	16,540	2,810	14.5	19,240	16,550	2,690	14.0	19,670	16,790	2,880	14.6
Clark	93,230	86,150	7,080	7.6	93,400	86,250	7,150	7.7	94,070	85,610	8,460	9.0
Columbia	1,700	1,430	270	15.9	1,730	1,460	270	15.6	1,740	1,370	370	21.3
Cowlitz	31,350	27,150	4,200	13.4	31,790	27,470	4,320	13.6	33,540	28,920	4,620	13.8
Ferry	2,540	2,140	400	15.7	2,560	2,180	380	14.8	2,590	2,190	400	15.4
Garfield	1,160	1,060	100	8.6	1,170	1,090	80	6.8	1,180	1,070	110	9.3
Grant	22,240	18,900	3,340	15.0	22,330	19,270	3,060	13.7	23,800	20,390	3,410	14.3
Grays Harbor	29,190	24,410	4,780	16.4	29,270	24,350	4,920	16.8	28,850	24,420	4,430	15.4
Island	15,140	13,720	1,420	9.4	15,070	13,730	1,340	8.9	15,420	14,050	1,370	8.9
Jefferson	6,700	5,890	810	12.1	6,780	6,110	670	9.9	6,480	5,860	620	9.6
Kittitas	11,240	9,740	1,500	13.3	11,270	9,920	1,350	12.0	11,360	9,850	1,510	13.3
Klickitat	7,000	5,780	1,220	17.4	7,260	6,160	1,100	15.2	7,060	5,850	1,210	17.1
Lewis	24,260	20,090	4,170	17.2	24,410	20,400	4,010	16.4	24,580	20,600	3,980	16.2
Lincoln	4,330	4,030	300	6.9	4,380	4,090	290	6.6	4,230	4,000	230	5.4
Mason	10,980	9,670	1,310	11.9	11,410	10,160	1,250	11.0	11,130	9,640	1,490	13.4
Okanogan	14,460	11,570	2,890	20.0	14,660	12,140	2,520	17.2	15,310	12,680	2,630	17.2
Pacific	7,280	5,410	1,870	25.7	7,270	5,510	1,760	24.2	7,070	5,870	1,200	17.0
Pend Oreille	4,140	3,430	710	17.1	4,020	3,380	640	15.9	3,940	3,360	580	14.7
San Juan	3,550	3,230	320	9.0	3,590	3,290	300	8.4	3,620	3,330	290	8.0
Skagit	33,210	27,860	5,350	16.1	33,050	28,120	4,930	14.9	33,880	28,860	5,020	14.8
Skamania	2,830	2,150	680	24.0	2,740	2,150	590	21.5	3,020	2,320	700	23.2
Stevens	11,710	9,830	1,880	16.1	11,680	9,930	1,750	15.0	11,560	9,660	1,900	16.4
Wahkiakum	1,260	1,030	230	18.3	1,420	1,210	210	14.8	1,270	1,120	150	11.8
Walla Walla	24,850	22,190	2,660	10.7	25,110	22,740	2,370	9.4	25,750	22,790	2,960	11.5
Whitman	16,440	15,810	630	3.8	16,880	16,250	630	3.7	16,740	16,120	620	3.7

1/ Detail may not add due to rounding.

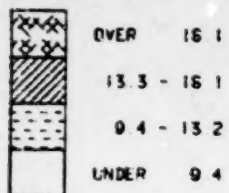
2/ The Tri-Cities area includes all of Benton and Franklin Counties. The Wenatchee Labor Area includes all of Chelan and Douglas counties.

3/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

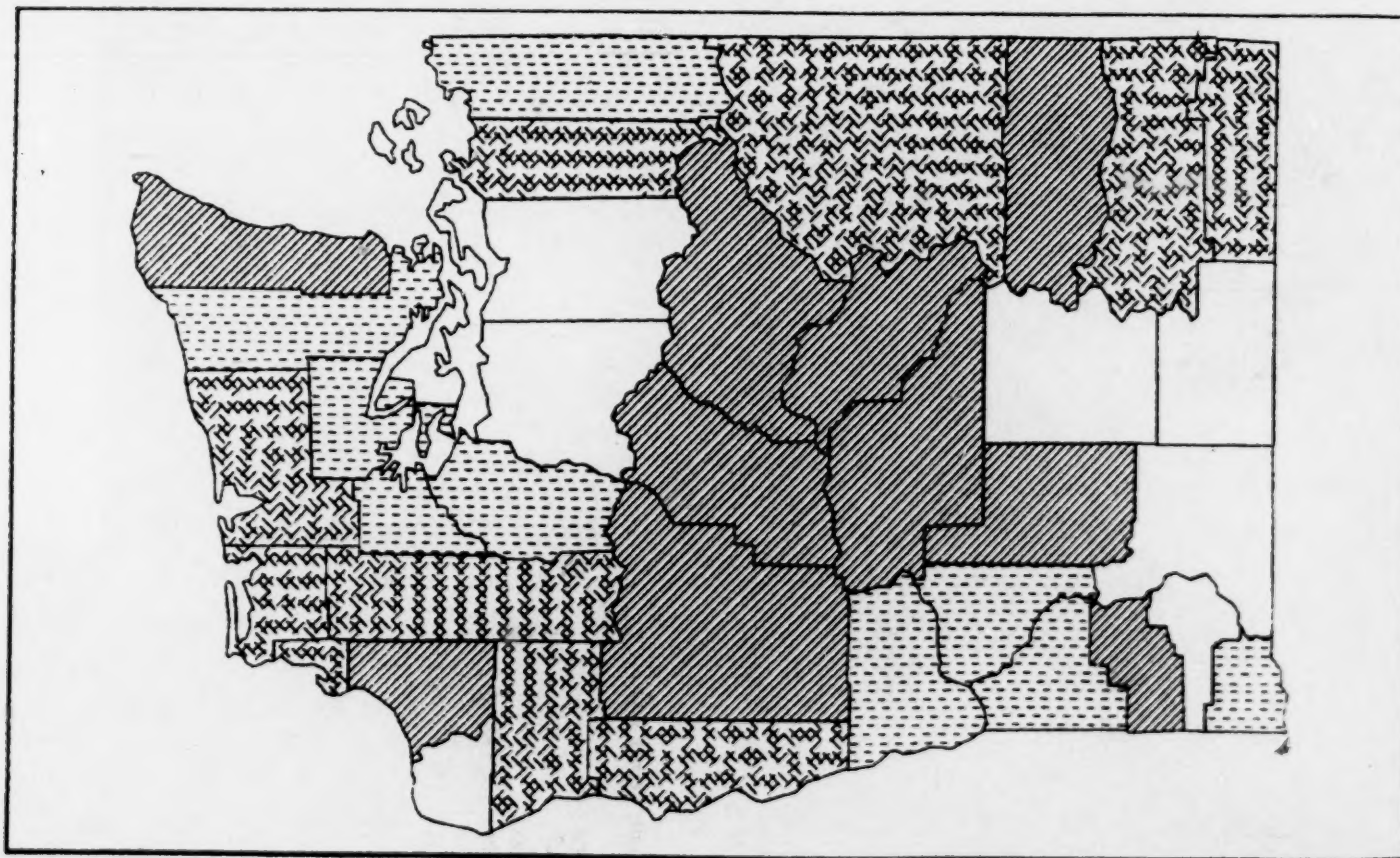
ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF
NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	NOV. 1984 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Nov. 1984	Oct. 1984	Nov. 1983	Nov. 1984	Oct. 1984	Nov. 1983	Nov. 1984	Oct. 1984	Nov. 1983
TOTAL MANUFACTURING INDUSTRIES *	181,200	\$445.43	\$450.45	\$447.36	38.3	39.0	38.8	\$11.63	\$11.55	\$11.53
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products.....	35,600	394.11	430.40	409.14	34.3	37.2	36.4	11.49	11.57	11.24
Primary metal industries.....	10,000	544.90	552.75	540.38	39.6	40.2	41.0	13.76	13.75	13.18
Fabricated metal products....	7,800	435.41	456.03	479.18	38.6	40.5	40.2	11.28	11.26	11.92
Machinery.....	17,000	365.63	357.74	405.66	39.4	38.8	41.1	9.28	9.22	9.87
Food & kindred products.....	23,900	342.98	345.95	342.61	36.8	38.1	36.8	9.32	9.08	9.31
Chemicals & allied products...	5,000	542.46	545.49	536.36	41.6	41.0	42.3	13.04	13.05	12.68
SELECTED NONMANUFACTURING INDUSTRIES										
Construction.....	57,600	566.30	571.65	584.74	34.7	35.2	34.6	16.32	16.24	16.90
Wholesale and retail trade....	262,900	310.76	309.70	302.85	34.0	33.7	33.8	9.14	9.19	8.96

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.



DECEMBER UNEMPLOYMENT RATES





Washington State
Employment Security Department

Isiah Turner, *Commissioner*

Prepared by the
Research & Analysis Branch
Olympia, WA 98504
(206) 753-5142

In cooperation with
the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 9, Number 2

February 1985

HIGHLIGHTS

Unemployment Climbs
to Usual Winter Level

The completion of thousands of holiday sales jobs in retail trade and winter cutbacks in such outdoor industries as logging and construction reduced employment in Washington State by 21,400 from December to January. The January 1985 total employment level, however, was 44,300, or 2.5 percent, higher than in January 1984. Nonagricultural wage and salary employment was credited with an even greater year-to-year advance. The job total in nonfarm payrolls rose 57,700 over the 12-month period led by gains of 9,600 in aerospace, 17,000 in services, 12,500 in trade, and 10,900 in government. The only troublesome areas as we begin a

	Jan. 1985* (Prel.)	Dec. 1984 (Rev.)	Jan. 1984
Civilian			
Labor Force	2,056,000	2,056,200	2,014,500
Total Employment	1,834,000	1,855,400	1,789,700
Total Unemployment	222,000	200,800	224,800
State Unemployment			
Rate	10.8	9.8	11.2
National Civilian			
Unemployment Rate	8.0	7.0	8.8

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more nearly comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for Federal program purposes. (Data in this table are not seasonally adjusted.)

new year appear to be in the lumber, aluminum and ship-building industries.

Reflecting seasonal job losses, unemployment rose 21,200 from December to a mid-January total of 222,000. The jobless rate moved up from 9.8 percent in December to 10.8 percent in January, a normal increase between the two months. Compared with January 1984, unemployment was down 2,800 or four-tenths of a point.

Nationally, the jobless rate also rose a full point between December and January, from 7.0 to 8.0 percent. The national rate in January 1984 was 8.8 percent. (Data are not seasonally adjusted.)

1985 Outlook Promising

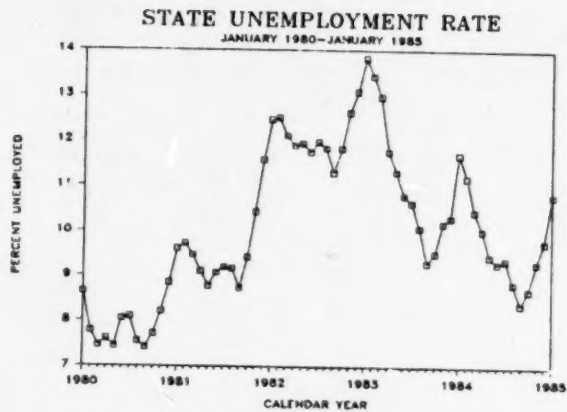
Economic indicators continue to point to a healthy economy in 1985. The U.S. Commerce Department's Index of Leading Indicators soared 1.7 percent in January to post its largest increase in 20 months. The January gain followed an increase of 0.6 percent in December and declines of 0.5 in November and 0.3 percent in October. Growth in the Gross National Product, the Commerce Department's measure of overall economic activity, was revised upward to 4.9 percent for the fourth quarter of 1984. The increase in the third quarter was a relatively weak 1.6 percent. The rebound resulted from a drop in interest rates last fall.

National housing starts, especially important to the Washington State economy, jumped 14.9 percent in January to post their largest increase since May 1983. Housing starts were estimated at a seasonally adjusted annual rate of 1.83 million units in January, up from a revised 1.60 million units in December. The Commerce Department attributed the improvement to a drop in interest rates. Nationally, rates on conventional mortgages fell to 12.9 percent in early February, which was down from a peak of 14.7 percent in August. The National Association of Home Builders expects a strong housing industry this spring which would bode well for this state's depressed lumber industry. According to a recent survey, builders' sales expectations are the highest in eight years.

Public Confident About Early 1985 But Economists See Downturn in 1986

A survey released by the New York Stock Exchange recently found that by a two to one margin Americans feel economic growth will be at least as strong over the next six months as it was last year. A survey of business economists on the other hand, found that most expect a recession to begin by the end of 1986. However, many economists last year were predicting a recession beginning in 1985. Few now see a downturn this year. Eventually, of course, there will be another recession but whether it will begin in 1986 remains to be seen.

CHART 1



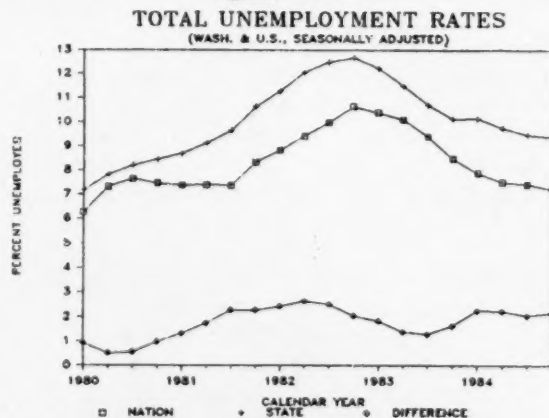
State Jobless Rate Moves Up to Usual Winter Level

CHART 2



Total Employment in State Up by More Than 40,000 Since Last Year

CHART 3



Gap Between State and National Jobless Rates Holds Steady

Monthly data in this chart are seasonally adjusted and aggregated into quarterly figures.

MANUFACTURING
JOB DEVELOPMENTS

Manufacturing employment in Washington State slipped 2,000 from December to January but was up 9,600 over the year. The drop from December largely resulted from seasonal cutbacks in the lumber and food industries. Other transportation equipment employment also fell because of further curtailments in shipbuilding, but the loss was more than offset by growth in aerospace.

In the over-the-year comparison, aerospace added 9,600 to account for all of the net year-to-year gain in manufacturing employment. Several other industries posted healthy expansions, but they were offset by losses of 2,200 in other transportation equipment because of cutbacks in shipbuilding and a drop of 2,500 in the lumber industry. Credited with gains over the 12-month period were electrical and electronic equipment, up 1,300, and instruments, up 600. Other noteworthy expansions included printing-publishing, up 900; food products, up 500; and chemicals, up 400.

January Developments
Mixed in Lumber Industry

The drop in the lumber industry of 900 in January was less than seasonally expected but that was only because the industry was already operating at an exceptionally low level. Developments during January were mixed, although the outlook brightened with housing starts up and some temporary recalls by the Weyerhaeuser Company. The number of families who can afford to purchase new homes increased because of higher incomes and the prevalence of adjustable-rate mortgages. Household income, adjusted for inflation, increased 8.5 percent in 1984. As a result about 26 million households, or 30 percent of the nation's total, had sufficient income to qualify for a conventional mortgage on an \$80,000 house. This was the largest number to theoretically qualify since 1978, before mortgage interest rates began to climb sharply.

Some Lumber Workers
Back Temporarily

In early February the Weyerhaeuser Company reopened closed portions of its Aberdeen lumber mill, placing 110 workers back on the job. The reopening resulted from lumber orders from Japan. Late in February Weyerhaeuser announced they would recall 200 laid-off workers in Raymond and 156 in Pe Ell with the work lasting two to four months.

Weyerhaeuser Announces
More Layoffs and Requests
Wage Reductions

On the negative side, Champion International announced at the end of January that they would be closing their Ballard plywood plant permanently because of the age of the plant, its small size, and unfavorable market conditions. The plant was the oldest plywood manufacturing facility in operation and employed 215 workers. Adding to the layoffs, Weyerhaeuser announced that an additional 700 workers in the Longview-Cowlitz County area would be idled by May 1st. Already 125 people have been laid off at the Green Mountain Mill. Other developments included

a request by the Weyerhaeuser Company for concessions by the woodworkers union that included wage reductions ranging from \$2.50 to \$3.00 per hour. Weyerhaeuser stated that unless the union accepted substantial cuts in pay and benefits further layoffs would be inevitable.

Export lumber sales could be harmed when shipping rates to the Far East are doubled effective March 6, 1985. The rate change is expected to be especially hard on small mills specializing in producing lumber for export.

Aerospace Outlook Bright

Aerospace continued to boost the state's economy by adding 800 workers in January. The Boeing Company had earlier announced that it would add 3,000 workers at its Washington State facilities in 1985. Developments so far this year, are encouraging. In late February Boeing won a \$1.2 billion contract from Saudi Arabia for a command, control, and communication system for radar planes. Boeing also received an order for four more 767-300 jets from Delta Air Lines in February. The planes are valued at about \$60 million each. Boeing received a \$177.7 million contract to convert existing missile silos in Wyoming to accommodate MX missiles scheduled for deployment in 1986. About 200 Seattle area Boeing employees will be working on the contract at its peak in July. Another 400 workers will be employed at the silo sites.

Aluminum Down in March

Aluminum employment moved up 100 in January but the outlook for the industry is not encouraging. The Bonneville Power Administration (BPA) extended its discount rate to direct-service customers through June 30, 1985 and dropped its discount rate an additional one-tenth cent per kilowatt hour beginning March 1, 1985. The BPA had expected this action to save 1,000 jobs. At least two aluminum producers, however, found the reduction inadequate. The Commonwealth Aluminum Corp. cut the output of its Goldendale, Washington smelter from 170 to 110 tons effective March 1 and laid off 180 workers. The Aluminum Company of America (Alcoa) said it was cutting production by 11,000 tons at its Vancouver, Washington plant and laying off 30 employees. According to Alcoa the BPA rate to aluminum producers is 25 percent higher than the world average. At the same time the price of primary aluminum is unacceptably low according to Alcoa.

Tuna Threaten Fishermen-- Effects Felt by Shipbuilding

A price war in canned tuna has further dimmed prospects for the Puget Sound shipbuilding industry which has already seen its workforce trimmed by 2,200 over the past 12 months. Low canned tuna prices have resulted in reduced prices to fishermen, a surplus of tuna boats and virtually no orders for new tuna boats. There is some hope for new repair work on Navy ships at private shipyards, however. The Navy announced in February that it would reduce employment at its own shipyards, including the Puget Sound Naval Shipyard at Bremerton, and send more of

its smaller overhaul jobs to private shipyards. Any job gain at private yards in Washington State, however, would probably be more than offset by losses at the Bremerton Shipyard. The Navy plans to reduce employment at eight of its shipyards across the nation by 5,100. Cutbacks for individual yards have not been determined as yet.

**New Plant For Chehalis
150 New Jobs**

PPG (Pittsburgh Glass) announced in early March that it would build a float-glass manufacturing plant near Chehalis. The plant will be the first float-glass plant in the Northwest. A major factor in choosing the site was its location, midway between the Seattle and Portland markets. The firm plans to begin production in early 1986. Approximately 150 workers will be employed at the plant.

Nonmanufacturing Industries

Santa's Helpers Laid-Off

Trade employment dropped sharply as usual between December and January. Retail payrolls were down 14,200 with the thousands of temporary holiday sales workers no longer on the job. Seasonal reductions, not necessarily related to the holiday period, also occurred at building material stores and restaurants. Both building activity and tourist business, of course, was at a low ebb in January.

**Weather Drops
Construction**

Construction payrolls fell 4,600 in January but were up 4,400 from January 1984. Losses from December to January were weather related. Few new projects are planned to start in January because of the anticipation of adverse weather. Inclement weather itself, of course, forces layoffs on most ongoing outdoor projects. Street and highway work in January was at a near standstill because of subfreezing weather.

The outlook for a healthy construction industry this spring and summer depends on interest rates. Interest rates have declined over the past year and housing starts have increased as a result. Nonetheless interest rates can change rapidly.

Employment in the services group also declined seasonally in January. Agricultural services were lower, while the end of holiday-related business dropped employment at hotels-motels and at membership organizations. Services employment, however, was up a whopping 17,000 over the year at mid-January to lead all industries in job growth. Medical, business, and social services provided the largest number of new jobs in the services group over the year.

Seasonal factors also pushed employment lower in transportation, communications, and utilities between December and January. Employment in the group fell 2,400 over the month because of a normal decline in deliveries to both businesses and households following the holiday period. Employment in communications and utilities was stable.

Government added 1,900 jobs in January to offset some of the seasonal job losses in other industries. Most of the new jobs were in local government but state government employment also rose because of the start of a new legislative session. Federal civilian payrolls, however, dipped 600 with about one-half of the loss resulting from a seasonal decline in postal work.

Some Government Jobs To Be Dropped in 1985

While over the long term government civilian jobs will expand along with the population, the near-term outlook is clouded by Federal budget proposals and other developments. Losses in Federal civilian payrolls will occur in Bremerton because of the upcoming cutbacks at Navy shipyards mentioned earlier. In addition, timber relief legislation is likely to reduce the need for forestry workers. The legislation allows Federal timber purchasers to cancel their contracts for some high-priced timber purchased before 1982. The Forest Service will give priority to re-selling timber covered by their contracts over the next few years. Since the preparatory work on these sales has already been done, the Forest Service's workload will decline. The Service has estimated that it will need 500 to 550 fewer workers in Washington and Oregon because of the legislation. The planned streamlining of administrative services in the Forest Service is expected to reduce their workforce in the two-state area another 200 workers. The cutbacks will occur this year.

In addition to the anticipated reduction in Federal jobs, proposed Federal budget reductions for social programs and Revenue Sharing would cut state and local government jobs if adopted.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	<u>INDEXES</u>			<u>PERCENT CHANGE</u>			
	<u>Jan</u> <u>1984</u>	<u>Dec</u> <u>1984</u>	<u>Jan</u> <u>1985</u>	<u>Year</u> <u>Ending</u> <u>Dec</u> <u>1984</u>	<u>Year</u> <u>Ending</u> <u>Jan</u> <u>1985</u>	<u>2 Months</u> <u>Ending</u> <u>Dec</u> <u>1984</u>	<u>2 Months</u> <u>Ending</u> <u>Jan</u> <u>1985</u>
U.S. City Average	305.2	315.5	316.1	4.0	3.6	0.1	0.3
Seattle-Everett	308.7	--	319.5	--	3.5	--	0.4

ESTIMATES REVISED

Resident civilian labor force, employment, and unemployment estimates for 1984 have been adjusted to 1984 average annual data from that portion of the national Current Population Survey conducted in this state. Estimates for 1970-1983 have also been revised. Tables containing the revised data are included in this report.

Nonagricultural wage and salary employment estimates for 1983 and 1984 have also been revised. Current nonfarm wage and salary employment estimates prepared by the Employment Security Department are based upon monthly reports received from approximately 5,600 cooperating establishments. While estimates prepared from these reports are timely, they lack the accuracy of our revised estimates. The revised estimates are based upon more complete data contained in tax returns received at later dates from establishments covered by the Washington State Employment Security Act and from reports on Federal civilian employment. Reports on covered and Federal civilian employment provide almost complete counts of nonagricultural wage and salary employment. The major exceptions to covered employment are railroad employment, employment in religious organizations, and at private, primary and secondary educational institutions. Most corporate officers are also excluded. Noncovered employment is estimated from a variety of sources--special surveys, relationships between covered and noncovered employment in the Current Population Survey, reports from individual employers, etc.

Each year estimates are updated to conform with the latest tax return data and the best available information on noncovered wage and salary employment. In 1983 estimates are based on tax return data for the entire year, while those for 1984 are based on tax data through March 1984. Tables containing the revised 1983 and 1984 nonagricultural wage and salary estimates are included in this report.

STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT
RESEARCH AND ANALYSIS BRANCH
OLYMPIA, WASHINGTON

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, 1983
(In Thousands) (Benchmark: March 1984)

1983
Revised

Industry	Annual ^{2/} Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL	1,585.1	1,528.3	1,531.0	1,546.6	1,571.5	1,584.0	1,613.7	1,584.6	1,585.0	1,625.6	1,620.3	1,615.6	1,615.4
Manufacturing	277.9	271.8	270.5	272.1	275.6	277.0	281.0	281.2	280.9	283.9	283.5	280.3	276.6
Durable Goods	192.4	190.9	190.1	190.5	192.3	192.3	193.7	194.5	191.8	192.4	194.3	194.1	192.3
Lumber & Wood Products	42.1	36.6	38.0	38.7	40.5	42.2	43.8	45.1	45.8	45.6	44.3	42.9	41.5
Furniture & Fixtures	3.2	2.9	2.9	3.0	3.0	3.1	3.2	3.2	3.3	3.4	3.5	3.5	3.5
Stone, Clay & Glass Products	6.0	5.4	5.4	5.6	5.9	6.0	6.1	6.3	6.4	6.5	6.5	6.2	6.0
Primary Metals	12.6	11.8	11.7	12.0	12.3	12.5	12.7	13.0	13.0	13.2	12.9 ^{1/}	13.2	13.1
Aluminum	8.1	7.5	7.5	7.6	7.8	8.1	8.1	8.4	8.5	8.6	8.3 ^{1/}	8.7	8.6
Fabricated Metals	9.3	9.0	8.8	8.9	8.8 ^{1/}	8.9 ^{1/}	9.3	9.5 ^{1/}	9.9	10.0	9.9	9.6	9.2
Machinery	25.5	25.3	25.2	25.1	25.5 ^{1/}	25.1 ^{1/}	25.2 ^{1/}	25.2 ^{1/}	25.5	25.6	26.0	26.1	26.3
Machinery (exc. electrical)	15.2	14.8	14.8	14.9	15.2 ^{1/}	14.7 ^{1/}	14.9 ^{1/}	15.0 ^{1/}	15.3	15.4	15.7	15.8	15.9
Electrical Equipment	10.3	10.5	10.4	10.2	10.3	10.4	10.3	10.2	10.2	10.2	10.3	10.3	10.4
Transportation Equipment	80.2	87.0	85.2	84.1	83.1	81.3 ^{1/}	80.0	78.4	74.0 ^{1/}	74.1 ^{1/}	77.4	78.7	78.6
Aerospace	64.9	70.4	68.9	67.6	66.6	65.5	64.2	63.3	62.6	62.4	62.3	62.7	62.8
Other Transportation Equip.	15.2	16.6	16.3	16.5	16.5	15.8 ^{1/}	15.8	15.1	11.4 ^{1/}	11.7 ^{1/}	15.1	16.0	15.8
Instruments & Related Prod.	9.4	9.0	9.0	9.2	9.2	9.1	9.2	9.6	9.6	9.7	9.6	9.6	9.7
Misc. Manufacturing Indus.	4.1	3.9	3.9	3.9	4.0	4.1	4.2	4.2	4.3	4.3	4.2	4.3	4.4
Nondurable Goods	85.4	80.9	80.4	81.6	83.3	84.7	87.3	86.7	89.1	91.5	89.2	86.2	84.3
Food & Kindred Products	31.1	28.0	27.8	28.6	30.0	30.9	33.0	31.5	33.7	35.4	34.0	30.9	28.9
Canned & Preserved Foods	10.8	8.9	8.5	8.7	9.9	10.3	12.4	11.0	12.9	14.2	13.6	10.8	8.9
Apparel & Allied Products	5.9	5.5	5.5	5.5	5.5	5.6	5.7	6.0	6.1	6.3	6.1	6.2	6.3
Paper & Allied Products	15.8	15.8	15.5	15.4	15.4	15.4	15.7	16.2	16.1	16.3	15.9	15.8	15.9
Printing & Publishing	16.0	15.7	15.7	15.9	16.0	16.1	15.9	15.8	15.9	16.1	16.1	16.2	16.2
Chemicals & Allied Products	10.1	9.6	9.6	9.8	9.9	10.1	10.3	10.3	10.2	10.3	10.2	10.3	10.3
Other Nondurable Goods	6.7	6.3	6.3	6.4	6.5	6.6	6.7	6.9	7.1	7.1	6.9	6.8	6.7
Nonmanufacturing	1,307.3	1,256.5	1,260.5	1,274.5	1,295.9	1,307.0	1,332.7	1,303.4	1,304.1	1,341.7	1,336.8	1,335.3	1,338.8
Mining & Quarrying	2.7	2.4	2.4	2.5	2.6	2.7	2.7	2.8	3.0	2.9	2.9	2.8	2.7
Construction	73.6	65.0	65.2	67.0	70.0	72.7	76.1	78.0	80.8 ^{1/}	82.0	79.3	74.9	72.7
Transp., Comm., & Utilities	87.7	84.5	84.5	84.8	86.8	87.2	89.0	90.2	85.5 ^{1/}	91.8 ^{1/}	90.1	89.2 ^{1/}	89.3 ^{1/}
Trade	392.4	375.0	372.6	376.7	384.8	390.1	398.8	397.5	401.1 ^{1/}	406.1	398.5 ^{1/}	401.1 ^{1/}	406.4
Wholesale Trade	100.0	94.2	94.9	96.4	98.4	98.7	102.0	101.4	102.7	105.3	103.0	101.7	101.3
Retail Trade	292.4	280.8	277.7	280.3	286.4	291.4	296.8	296.1	298.4 ^{1/}	300.8	295.5 ^{1/}	299.4 ^{1/}	305.1
Finance, Ins. & Real Estate	92.0	89.2	89.6	90.2	91.5	92.0	93.0	93.3	93.7	94.1	92.5	92.5	92.8
Services & Miscellaneous	331.7	317.0	319.6	324.0	328.9	329.7	334.0	332.8	335.7	343.6	338.5	337.5	339.5
Government	327.0	323.4	326.6	329.3	331.3	332.6	339.1	308.8	304.3	321.2 ^{1/}	335.0	337.3	335.4
Federal	67.6	65.9	65.6	66.8	67.3	67.4	68.6	69.3	69.1	68.6	67.8	67.5	67.4
State & Local	259.4	257.5	261.0	262.5	264.0	265.2	270.5	239.5	235.2	252.6 ^{1/}	267.2	269.8	268.0
Education	138.8	141.4	144.5	145.0	145.1	145.5	145.1	112.6	109.8	129.6 ^{1/}	146.7	150.6	149.1
Workers in Labor-Management Disputes	1.6	0.0	0.0	0.0	0.3	1.4	0.3	0.9	9.5	5.1	0.8	1.1	0.3

^{1/} Workers excluded because of involvement in labor-management disputes.

^{2/} Detail may not add due to rounding.

STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT
RESEARCH AND ANALYSIS BRANCH
OLYMPIA, WASHINGTON

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, 1984
(In Thousands) (Benchmark: March 1984)

1984
Preliminary

Industry	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL	1,640.4	1,579.5	1,591.7	1,612.6	1,625.6	1,643.1	1,663.4	1,639.9	1,649.2	1,671.8	1,673.6	1,670.2	1,663.7
Manufacturing	284.8	272.6	276.8	279.8	281.9	284.8	287.3	286.9	291.0	292.3	291.3	288.8	284.2
Durable Goods	197.8	190.0	193.3	196.0	196.6	198.1	198.8	198.8	200.3	201.3	201.0	201.1	198.4
Lumber & Wood Products	40.6	39.2	40.3	40.9	41.4	42.1 1/	42.4	41.7	41.4	41.0	40.0	39.2	37.6
Furniture & Fixtures	3.3	3.2	3.3	3.3	3.4	3.4	3.3	3.3	3.3	3.4	3.4	3.3	3.4
Stone, Clay & Glass Products	6.4	5.7	5.8	6.1	6.2	6.3	6.6	6.6	6.8	6.8	6.7	6.7	6.3
Primary Metals	13.2	13.1	13.4	13.6	13.5	13.4	13.1	13.2	13.0	13.1	13.0	12.9	12.8
Aluminum	8.6	8.6	8.9	9.0	8.9	8.7	8.4	8.4	8.5	8.4	8.4	8.4	8.4
Fabricated Metal Products	9.7	9.0	9.2	9.5	9.5	9.6	9.8	9.9	9.9	9.9	10.1	10.0	9.5
Machinery	27.8	26.7	27.5	27.9	28.0	28.2	27.9	27.7	27.9	28.0	28.1	27.9	27.8
Machinery (exc. electrical)	16.4	16.1	16.7	16.9	16.8	16.8	16.5	16.1	16.3	16.2	16.2	16.0	15.9
Electrical Equipment	11.4	10.6	10.8	11.0	11.2	11.4	11.4	11.6	11.6	11.8	11.9	11.9	11.9
Transportation Equipment	82.2	79.0	79.7	80.4	80.3	80.6	81.0	81.6	83.1	84.0	84.8	86.1	86.0
Aerospace	66.7	62.9	63.4	63.9	64.2	64.6	65.5	66.5	67.9	68.9	70.0	71.3	71.7
Other Transportation Equip.	15.5	16.1	16.3	16.5	16.1	16.0	15.5	15.1	15.2	15.1	14.8	14.8	14.3
Instruments & Related Prod.	10.1	9.8	9.8	9.9	9.9	10.0	10.2	10.3	10.3	10.3	10.2	10.3	10.4
Misc. Manufacturing Indus.	4.5	4.3	4.3	4.4	4.4	4.5	4.5	4.5	4.6	4.8	4.7	4.7	4.6
Nondurable Goods	87.0	82.6	83.5	83.8	85.3	86.7	88.5	88.1	90.7	91.0	90.3	87.7	85.8
Food & Kindred Products	30.4	27.5	28.4	28.4	29.3	30.2	31.1	31.0	33.2	34.0	33.4	30.4	28.5
Canned & Preserved Foods	10.8	8.1	9.1	9.0	10.0	10.9	11.5	10.8	12.6	13.9	13.5	10.7	9.0
Apparel & Allied Products	6.3	6.0	6.1	6.1	6.2	6.3	6.5	6.3	6.4	6.5	6.5	6.4	6.4
Paper & Allied Products	16.1	15.9	15.7	15.9	16.0	16.0	16.3	16.7	16.7	16.0 1/	15.7 1/	16.0	16.1
Printing & Publishing	16.6	16.1	16.1	16.2	16.3	16.5	16.7	16.6	16.7	16.7	17.0	17.2	17.2
Chemicals & Allied Products	10.5	10.2	10.2	10.3	10.5	10.6	10.7	10.3	10.3	10.6	10.7	10.7	10.7
Other Nondurable Goods	7.1	6.9	7.0	6.9 1/	7.0 1/	7.1 1/	7.2 1/	7.2 1/	7.4	7.2	7.0	7.0	6.9
Nonmanufacturing	1,355.6	1,306.9	1,314.9	1,332.8	1,343.7	1,358.3	1,376.1	1,353.0	1,358.2	1,379.5	1,382.3	1,381.4	1,379.5
Mining & Quarrying	2.6	2.5	2.5	2.5	2.5	2.6	2.7	2.8	2.8	2.7	2.8	2.7	2.6
Construction	76.6	66.5	68.4	72.3	73.2	75.7	80.2	81.8	83.2	83.6	81.1	78.2	75.5
Transp., Comm., & Utilities	90.1	86.8	86.9	88.0	88.6	89.8	91.3	92.1	92.3	92.6	91.3	90.9	90.7
Trade	403.1	388.2	395.7	391.1	395.4	400.4	407.9	408.1	409.2	412.6	409.5	412.2	416.5
Wholesale Trade	102.2	97.9	98.9	100.1	100.8	101.4	103.1	104.1	103.8	105.4	104.6	103.4	102.6
Retail Trade	300.9	290.3	286.8	291.0	294.6	299.0	304.8	304.0	305.4	307.2	304.9	308.8	313.9
Finance, Ins. & Real Estate	94.5	92.5	92.6	93.3	93.9	94.6	95.6	95.8	95.8	95.5	94.6	94.7	94.9
Services & Miscellaneous	349.6	334.5	339.1	344.0	347.8	350.2	353.6	351.8	353.3	357.5	355.4	354.0	354.4
Government	339.0	335.9	339.7	341.6	342.3	345.0	344.8	320.6	321.6	335.0	347.6	348.7	344.9
Federal	69.0	66.9	67.1	67.0	67.8	68.5	69.5	70.8	71.3	69.9	69.8	69.5	69.4
State & Local	270.0	269.0	272.6	274.6	274.5	276.5	275.3	249.8	250.3	265.1	277.8	279.2	275.5
Education	145.2	149.8	153.0	154.1	152.9	153.9	149.7	115.5	114.8	137.1	153.7	155.2	152.8
Workers in Labor-Management Disputes	0.1	0.0	0.0	0.2	0.2	0.3	0.2	0.2	0.0	0.3	0.3	0.0	0.0

1/ Workers excluded because of involvement in labor-management disputes.

2/ Detail may not add due to rounding.

Resident Civilian Labor Force and Employment in Washington State, 1970-1984 ^{1/}
(In Thousands)

	Annual Average ^{2/}	January	February	March	April	May	June	July	August	September	October	November	December
1976													
Civilian Labor Force	1,621.0	1,555.4	1,559.3	1,584.1	1,597.2	1,626.8	1,665.6	1,657.4	1,648.5	1,652.7	1,652.1	1,629.0	1,623.9
Total employment*	1,481.0	1,394.9	1,406.4	1,431.6	1,455.2	1,495.5	1,529.2	1,518.2	1,514.8	1,524.3	1,526.2	1,493.7	1,482.0
Total unemployment*	140.0	160.5	152.9	152.5	142.0	131.3	136.4	139.2	133.7	128.4	125.9	135.3	141.9
Percent of Labor Force	8.7	10.3	9.8	9.6	8.9	8.1	8.2	8.4	8.1	7.8	7.6	8.3	8.7
1975													
Civilian Labor Force	1,561.0	1,480.7	1,504.4	1,531.6	1,541.1	1,571.5	1,622.1	1,601.2	1,594.9	1,593.8	1,568.9	1,563.4	1,558.2
Total employment*	1,412.0	1,355.1	1,355.1	1,378.3	1,398.1	1,427.8	1,459.8	1,439.3	1,439.3	1,443.9	1,428.3	1,414.1	1,404.7
Total unemployment*	149.0	125.6	149.3	153.3	143.0	143.7	162.3	161.9	155.6	149.9	140.6	149.3	153.5
Percent of Labor Force	9.5	8.5	9.9	10.0	9.3	9.1	10.0	10.1	9.8	9.4	9.0	9.6	9.9
1974													
Civilian Labor Force	1,529.0	1,455.0	1,469.9	1,489.4	1,510.9	1,543.4	1,590.7	1,591.6	1,566.1	1,565.7	1,543.9	1,516.2	1,505.3
Total employment*	1,420.0	1,325.9	1,345.0	1,370.4	1,401.7	1,443.2	1,480.4	1,481.3	1,462.5	1,468.7	1,450.8	1,414.1	1,396.0
Total unemployment*	109.0	129.1	124.9	119.0	109.2	100.2	110.3	110.3	103.6	97.0	93.1	102.1	109.3
Percent of Labor Force	7.2	8.9	8.5	8.0	7.2	6.5	6.9	6.9	6.6	6.2	6.0	6.7	7.3
1973													
Civilian Labor Force	1,484.0	1,406.3	1,423.3	1,450.7	1,463.9	1,489.9	1,547.2	1,524.1	1,515.1	1,520.7	1,497.8	1,484.1	1,484.6
Total employment*	1,367.0	1,270.5	1,296.7	1,328.9	1,353.3	1,384.9	1,427.7	1,404.8	1,399.0	1,409.3	1,390.5	1,370.8	1,367.6
Total unemployment*	117.0	135.8	126.6	121.8	110.6	105.0	119.5	119.3	116.1	111.4	107.3	113.3	117.0
Percent of Labor Force	7.9	9.7	8.9	8.4	7.6	7.0	7.7	7.8	7.7	7.3	7.2	7.6	7.9
1972													
Civilian Labor Force	1,434.0	1,371.6	1,393.9	1,401.6	1,420.0	1,445.2	1,498.6	1,476.2	1,466.5	1,446.2	1,430.0	1,425.6	1,432.7
Total employment*	1,297.0	1,216.8	1,227.8	1,257.4	1,279.5	1,313.5	1,352.0	1,334.4	1,336.7	1,325.2	1,315.5	1,307.2	1,297.9
Total unemployment*	137.0	154.8	166.1	144.2	140.5	131.7	146.6	141.8	129.8	121.0	114.5	118.4	134.8
Percent of Labor Force	9.5	11.3	11.9	10.3	9.9	9.1	9.8	9.6	8.9	8.4	8.0	8.3	9.4
1971													
Civilian Labor Force	1,401.0	1,357.9	1,370.8	1,371.6	1,388.0	1,398.3	1,462.7	1,440.1	1,431.4	1,421.1	1,398.0	1,382.8	1,389.0
Total employment*	1,259.0	1,197.7	1,212.1	1,222.1	1,245.7	1,265.2	1,312.0	1,290.3	1,293.6	1,290.3	1,271.4	1,253.0	1,254.5
Total unemployment*	142.0	160.2	158.7	149.5	142.3	133.1	150.7	149.8	137.8	130.8	126.6	129.8	134.5
Percent of Labor Force	10.1	11.8	11.6	10.9	10.3	9.5	10.3	10.4	9.6	9.2	9.1	9.4	9.7
1970													
Civilian Labor Force	1,415.0	1,376.9	1,388.1	1,402.4	1,391.8	1,414.5	1,470.2	1,454.1	1,444.9	1,442.7	1,408.6	1,394.4	1,391.3
Total employment*	1,285.0	1,270.9	1,270.4	1,280.5	1,283.7	1,300.2	1,331.9	1,311.9	1,304.3	1,304.5	1,272.8	1,249.5	1,239.4
Total unemployment*	130.0	106.0	117.7	121.9	108.1	114.3	138.3	142.2	140.6	138.2	135.8	144.9	151.9
Percent of Labor Force	9.2	7.7	8.5	8.7	7.8	8.1	9.4	9.8	9.7	9.6	9.6	10.4	10.9

^{1/} Prepared in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration.

^{2/} Average annual data are from the Current Population Survey. Detail may not add due to rounding.

* Official CPS benchmark estimates

State of Washington
Employment Security Department
Research and Analysis Branch
Olympia, Washington

Resident Civilian Labor Force and Employment in Washington State, 1970-1984 1/
(In Thousands)

	Annual Average 2/	January	February	March	April	May	June	July	August	September	October	November	December
1984													
Civilian Labor Force	2,053.0	2,014.5	2,021.1	2,030.0	2,044.7	2,067.1	2,096.6	2,063.2	2,055.2	2,054.7	2,078.4	2,054.4	2,056.2
Total employment*	1,859.0	1,789.7	1,802.9	1,826.1	1,846.8	1,878.0	1,909.3	1,874.5	1,875.8	1,885.7	1,899.0	1,864.9	1,855.4
Total unemployment*	194.0	224.8	218.2	203.9	197.9	189.1	187.3	188.7	179.4	169.0	179.4	189.5	200.8
Percent of Labor Force	9.5	11.2	10.8	10.0	9.7	9.1	8.9	9.1	8.7	8.2	8.6	9.2	9.8
1983													
Civilian Labor Force	2,069.0	2,005.0	2,018.2	2,047.4	2,065.1	2,079.8	2,135.6	2,088.4	2,092.3	2,100.7	2,080.7	2,060.2	2,054.5
Total employment*	1,838.0	1,731.4	1,745.3	1,779.5	1,819.7	1,845.7	1,910.1	1,865.5	1,874.8	1,906.9	1,884.4	1,851.5	1,841.1
Total unemployment*	231.0	273.6	272.9	267.9	245.4	234.1	225.5	222.9	217.5	193.8	196.3	208.7	213.4
Percent of Labor Force	11.2	13.6	13.5	13.1	11.9	11.3	10.6	10.7	10.4	9.2	9.4	10.1	10.4
1982													
Civilian Labor Force	2,024.0	1,971.8	1,983.3	2,005.0	2,018.4	2,041.3	2,067.5	2,037.2	2,030.3	2,043.3	2,040.6	2,022.0	2,027.1
Total employment*	1,779.0	1,725.8	1,734.9	1,762.1	1,778.3	1,797.4	1,824.5	1,793.1	1,789.9	1,812.6	1,799.5	1,767.2	1,762.6
Total unemployment*	245.0	246.0	248.4	242.9	240.1	243.9	243.0	244.1	240.4	230.7	241.1	254.8	264.5
Percent of Labor Force	12.1	12.5	12.5	12.1	11.9	11.9	11.8	12.0	11.8	11.3	11.8	12.6	13.1
1981													
Civilian Labor Force	1,996.0	1,966.5	1,974.2	1,986.7	1,995.0	2,006.4	2,042.7	2,011.7	2,001.9	2,010.0	1,998.7	1,971.8	1,986.4
Total employment*	1,806.0	1,778.0	1,782.6	1,798.8	1,813.3	1,830.0	1,857.3	1,826.6	1,818.3	1,834.2	1,810.5	1,765.9	1,756.4
Total unemployment*	190.0	188.5	191.6	187.9	181.7	176.4	185.4	185.1	183.6	175.8	188.2	205.9	230.0
Percent of Labor Force	9.5	9.6	9.7	9.5	9.1	8.8	9.1	9.2	9.2	8.7	9.4	10.4	11.6
1980													
Civilian Labor Force	1,984.0	1,937.8	1,945.6	1,967.0	1,981.7	1,998.1	2,032.9	1,995.5	1,980.8	1,997.4	1,998.3	1,982.2	1,990.7
Total employment*	1,828.0	1,770.8	1,794.7	1,821.0	1,831.6	1,850.2	1,870.2	1,834.9	1,832.2	1,850.0	1,844.8	1,820.2	1,815.3
Total unemployment*	156.0	167.0	150.9	146.0	150.1	147.9	162.7	160.6	148.6	147.4	153.5	162.0	175.4
Percent of Labor Force	7.9	8.6	7.8	7.4	7.6	7.4	8.0	8.0	7.5	7.4	7.7	8.2	8.8
1979													
Civilian Labor Force	1,937.0	1,841.8	1,855.8	1,887.8	1,911.4	1,945.3	2,006.9	1,974.4	1,966.6	1,993.1	1,972.7	1,938.9	1,949.3
Total employment*	1,806.0	1,689.7	1,713.3	1,753.4	1,783.4	1,824.9	1,877.0	1,844.8	1,846.9	1,876.2	1,851.4	1,810.5	1,800.5
Total unemployment*	131.0	152.1	142.5	134.4	128.0	120.4	129.9	129.6	119.7	116.9	121.3	128.4	148.8
Percent of Labor Force	6.8	8.3	7.7	7.1	6.7	6.2	6.5	6.6	6.1	5.9	6.1	6.6	7.6
1978													
Civilian Labor Force	1,808.0	1,707.8	1,723.5	1,757.8	1,779.2	1,814.5	1,862.8	1,831.7	1,829.6	1,846.5	1,845.6	1,840.0	1,857.1
Total employment*	1,684.0	1,556.6	1,582.2	1,624.3	1,655.5	1,694.8	1,737.8	1,715.2	1,715.7	1,736.7	1,739.2	1,722.3	1,727.7
Total unemployment*	124.0	151.2	141.3	133.5	123.7	119.7	125.0	116.5	113.9	109.8	106.4	117.7	129.4
Percent of Labor Force	6.9	8.9	8.2	7.6	7.0	6.6	6.7	6.4	6.2	5.9	5.8	6.4	7.0
1977													
Civilian Labor Force	1,692.0	1,607.0	1,625.1	1,647.3	1,666.7	1,687.1	1,733.9	1,725.1	1,729.1	1,731.5	1,730.7	1,707.0	1,713.5
Total employment*	1,544.0	1,446.0	1,457.8	1,481.3	1,511.9	1,536.6	1,581.7	1,570.7	1,581.0	1,599.0	1,603.4	1,577.1	1,581.5
Total unemployment*	148.0	161.0	167.3	166.0	154.8	150.5	152.2	154.4	148.1	132.5	127.3	129.9	132.0
Percent of Labor Force	8.8	10.0	10.3	10.1	9.3	8.9	8.8	8.9	8.6	7.7	7.4	7.6	7.7

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/
(In Thousands)

NOT SEASONALLY ADJUSTED

	Jan. 1985 (Prel.)	Dec. 1984 (Rev.)	Jan. 1984	Dec. 1984	Change	
					Dec. 84 to Jan. 85	Jan. 84 to Jan. 85
TOTAL NONAG. WAGE AND SALARY	1,637.2	1,663.7	1,579.5	1,615.4	-26.5	57.7
TOTAL MANUFACTURING	282.2	284.2	272.6	276.6	-2.0	9.6
Durable Goods	197.3	198.4	190.0	192.3	-1.1	7.3
Lumber & Wood Products	36.7	37.6	39.2	41.5	-0.9	-2.5
Furniture & Fixtures	3.3	3.4	3.2	3.5	-0.1	0.1
Stone, Clay & Glass Products	6.1	6.3	5.7	6.0	-0.2	0.4
Primary Metals Industries	12.9	12.8	13.1	13.1	0.1	-0.2
Aluminum Prod. & Processing	8.5	8.4	8.6	8.6	0.1	-0.1
Fabricated Metal Products	9.2	9.5	9.0	9.2	-0.3	0.2
Machinery	27.8	27.8	26.7	26.3	0.0	1.1
Machinery (exc. electrical)	15.9	15.9	16.1	15.9	0.0	-0.2
Electrical & Electronic Equip.	11.9	11.9	10.6	10.4	0.0	1.3
Transportation Equipment	86.4	86.0	79.0	78.6	0.4	7.4
Aerospace	72.5	71.7	62.9	62.8	0.8	9.6
Other Transportation Equip.	13.9	14.3	16.1	15.8	-0.4	-2.2
Instruments & Related Prod.	10.4	10.4	9.8	9.7	0.0	0.6
Misc. Manufacturing Indus.	4.5	4.6	4.3	4.4	-0.1	0.2
Nondurable Goods	84.9	85.8	82.6	84.3	-0.9	2.3
Food & Kindred Products	28.0	28.5	27.5	28.9	-0.5	0.5
Canned & Preserved Foods	9.0	9.0	8.1	8.9	0.0	0.9
Apparel & Other Text. Products	6.3	6.4	6.0	6.3	-0.1	0.3
Paper & Allied Products	16.0	16.1	15.9	15.9	-0.1	0.1
Printing & Publishing	17.0	17.2	16.1	16.2	-0.2	0.9
Chemicals & Allied Products	10.6	10.7	10.2	10.3	-0.1	0.4
Other Nondurable Goods <u>2/</u>	7.0	6.9	6.9	6.7	0.1	0.1
MINING & QUARRYING	2.5	2.6	2.5	2.7	-0.1	0.0
Construction	70.9	75.5	66.5	72.7	-4.6	4.4
Transp. & Public Utilities	88.3	90.7	86.8	89.3	-2.4	1.5
Wholesale & Retail Trade	400.7	416.5	388.2	406.4	-15.8	12.5
Wholesale Trade	101.0	102.6	97.9	101.3	-1.6	3.1
Retail Trade	299.7	313.9	290.3	305.1	-14.2	9.4
Finance, Ins. & Real Estate	94.3	94.9	92.5	92.8	-0.6	1.8
Services	351.5	354.4	334.5	339.5	-2.9	17.0
Government	346.8	344.9	335.9	335.4	1.9	10.9
Federal	68.8	69.4	66.9	67.4	-0.6	1.9
State & Local	278.0	275.5	269.0	268.0	2.5	9.0
Education	152.9	152.8	149.8	149.1	0.1	3.1
Workers in Labor Management						
Disputes	0.0	0.0	0.0	0.3	0.0	0.0

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastics products, petroleum and refining and related products, and leather products.

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

March 13, 1985
Benchmark 1984

(Not Seasonally Adjusted)

	January 1985 Preliminary 1/				December 1984 Revised			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,064,700	1,841,700	223,100	10.8	2,056,200	1,855,400	200,800	9.8
Bellingham MSA	50,100	43,600	6,500	12.9	48,900	43,100	5,800	11.9
Bremerton MSA	65,100	60,200	4,900	7.6	65,300	60,600	4,700	7.2
Olympia MSA	60,700	54,400	6,300	10.3	60,200	54,300	5,900	9.8
Seattle PMSA	937,100	858,300	78,800	8.4	930,600	860,100	70,500	7.6
King County	733,800	675,200	58,600	8.0	729,700	676,600	53,200	7.3
Snohomish County	203,300	183,100	20,200	9.9	200,900	183,500	17,300	8.6
Spokane MSA	159,800	143,300	16,500	10.3	160,100	145,800	14,300	8.9
Tacoma PMSA	196,300	175,600	20,700	10.5	196,100	176,200	19,900	10.1
Tri-Cities MSA 2/	70,400	60,600	9,800	13.9	69,200	60,200	9,000	13.0
Vancouver MSA	93,400	84,200	9,200	9.8	92,300	83,400	8,900	9.6
Yakima MSA	76,600	62,300	14,300	18.6	81,400	68,900	12,500	15.4
Adams	6,460	5,430	1,030	16.0	6,000	5,170	830	13.8
Asotin	8,350	7,370	980	11.7	8,140	7,370	770	9.5
Clallam	19,450	16,020	3,430	17.6	19,670	16,860	2,810	14.3
Columbia	1,710	1,320	390	22.8	1,510	1,270	240	15.9
Cowlitz	32,920	28,510	4,410	13.4	32,800	28,560	4,240	12.9
Ferry	2,450	2,020	430	17.7	2,420	2,050	370	15.3
Garfield	1,010	880	130	12.7	940	860	80	8.5
Grant	20,860	17,370	3,490	16.7	20,550	17,420	3,130	15.2
Grays Harbor	29,470	24,190	5,280	17.9	29,280	24,490	4,790	16.4
Island	15,300	13,700	1,600	10.4	15,310	13,900	1,410	9.2
Jefferson	6,560	5,660	900	13.7	6,540	5,730	810	12.4
Kittitas	10,980	9,280	1,700	15.5	10,670	9,230	1,440	13.5
Klickitat	7,000	5,540	1,460	20.9	6,900	5,720	1,180	17.1
Lewis	23,920	19,550	4,370	18.3	23,670	19,580	4,090	17.3
Lincoln	3,640	3,380	260	7.2	3,670	3,420	250	6.8
Mason	11,030	9,390	1,640	14.8	10,940	9,640	1,300	11.9
Okanogan	14,260	10,900	3,360	23.8	13,700	10,870	2,830	20.7
Pacific	7,070	5,350	1,720	24.3	7,180	5,340	1,840	25.6
Pend Oreille	4,070	3,410	660	16.3	4,100	3,400	700	17.1
San Juan	3,670	3,240	430	11.8	3,710	3,380	330	8.9
Skagit	32,740	26,720	6,020	18.4	32,240	27,020	5,220	16.2
Skamania	2,690	1,830	860	32.1	2,640	1,980	660	25.0
Stevens	11,240	9,220	2,020	18.0	11,270	9,490	1,780	15.8
Wahkiakum	1,190	890	300	24.9	1,070	860	210	19.6
Walla Walla	24,580	21,480	3,100	12.6	24,290	21,670	2,620	10.8
Wenatchee Labor Area 3/	37,250	31,710	5,540	14.9	37,370	32,620	4,750	12.7
Whitman	15,480	14,810	670	4.4	15,560	14,970	590	3.8

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.

2/ Includes Benton and Franklin counties.

3/ Includes Chelan and Douglas counties.

Note: Detail may not add due to rounding.

(Not Seasonally Adjusted)

	January 1985 Preliminary 3/				December 1984 Revised				January 1984 Revised			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total 1/	2,056,000	1,834,000	222,000	10.8	2,056,200	1,855,400	200,800	9.8	2,014,500	1,789,700	224,800	11.2
Bellingham MSA	49,800	43,400	6,400	12.9	48,900	43,100	5,800	11.9	50,400	43,800	6,600	13.1
Bremerton MSA	64,900	60,000	4,900	7.6	65,300	60,600	4,700	7.2	63,800	59,100	4,700	7.4
Olympia MSA	60,300	54,100	6,200	10.3	60,200	54,300	5,900	9.8	58,800	52,500	6,300	10.7
Seattle PMSA	933,200	854,800	78,400	8.4	930,600	860,100	70,500	7.6	890,700	814,300	76,400	8.6
Spokane MSA	159,100	142,700	16,400	10.3	160,100	145,800	14,300	8.9	154,600	140,000	14,600	9.4
Tacoma PMSA	195,400	174,800	20,600	10.5	196,100	176,200	19,900	10.1	190,000	169,400	20,600	10.8
Tri-Cities MSA 2/	70,100	60,300	9,800	14.0	69,200	60,200	9,000	13.0	73,600	62,200	11,400	15.5
Vancouver MSA	92,900	83,800	9,100	9.8	92,300	83,400	8,900	9.6	92,100	81,800	10,300	11.2
Yakima MSA	76,300	62,100	14,200	18.6	81,400	68,900	12,500	15.4	82,600	65,500	17,100	20.7
Adams	6,430	5,400	1,030	16.0	6,000	5,170	830	13.8	7,200	5,900	1,200	16.7
Asotin	8,310	7,340	970	11.7	8,140	7,370	770	9.5				
Clallam	19,370	15,960	3,410	17.6	19,670	16,860	2,810	14.3	19,500	15,700	3,800	19.5
Columbia	1,700	1,310	390	22.9	1,510	1,270	240	15.9	1,900	1,400	500	26.3
Cowlitz	32,780	28,390	4,390	13.4	32,800	28,560	4,240	12.9	32,700	28,100	4,600	14.1
Ferry	2,440	2,010	430	17.6	2,420	2,050	370	15.3	2,500	2,100	400	16.0
Garfield	1,000	870	130	13.0	940	860	80	8.5	1,100	1,000	100	9.1
Grant	20,770	17,300	3,470	16.7	20,550	17,420	3,130	15.2	22,000	17,700	4,300	19.5
Grays Harbor	29,350	24,090	5,260	17.9	29,280	24,490	4,790	16.4	29,000	24,400	4,600	15.9
Island	15,230	13,640	1,590	10.4	15,310	13,900	1,410	9.2	15,000	13,400	1,600	10.7
Jefferson	6,540	5,640	900	13.8	6,540	5,730	810	12.4	6,400	5,600	800	12.5
Kittitas	10,930	9,240	1,690	15.5	10,670	9,230	1,440	13.5	11,200	9,300	1,900	17.0
Klickitat	6,980	5,520	1,460	20.9	6,900	5,720	1,180	17.1	6,900	5,300	1,600	23.2
Lewis	23,810	19,460	4,350	18.3	23,670	19,580	4,090	17.3	23,600	19,700	3,900	16.5
Lincoln	3,630	3,370	260	7.2	3,670	3,420	250	6.8	4,300	3,900	400	9.3
Mason	10,980	9,350	1,630	14.8	10,940	9,640	1,300	11.9	11,000	9,400	1,600	14.5
Okanogan	14,200	10,850	3,350	23.6	13,700	10,870	2,830	20.7	14,900	11,800	3,100	20.8
Pacific	7,040	5,330	1,710	24.3	7,180	5,340	1,840	25.6	6,800	5,700	1,100	16.2
Pend Oreille	4,060	3,400	660	16.3	4,100	3,400	700	17.1	4,100	3,400	700	17.1
San Juan	3,660	3,230	430	11.7	3,710	3,380	330	8.9	3,500	3,100	400	11.4
Skagit	32,600	26,610	5,990	18.4	32,240	27,020	5,220	16.2	32,900	26,700	6,200	18.8
Skamania	2,680	1,820	860	32.1	2,640	1,980	660	25.0	2,800	1,900	900	32.1
Stevens	11,190	9,180	2,010	18.0	11,270	9,490	1,780	15.8	11,800	9,700	2,100	17.8
Wahkiakum	1,180	890	290	24.6	1,070	860	210	19.6	1,300	1,000	300	23.1
Walla Walla	24,470	21,390	3,080	12.6	24,290	21,670	2,620	10.8	25,000	21,900	3,100	12.4
Wenatchee Labor Area 2/	37,090	31,580	5,510	14.9	37,380	32,620	4,760	12.7	36,600	30,500	6,100	16.7
Whitman	15,410	14,740	670	4.3	15,560	14,970	590	3.8	16,100	15,500	600	3.7

1/ Detail may not add due to rounding.

2/ The Tri-Cities area includes all of Benton and Franklin Counties. The Wenatchee Labor Area includes all of Chelan and Douglas counties.

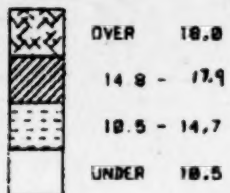
3/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

Research and Analysis Branch

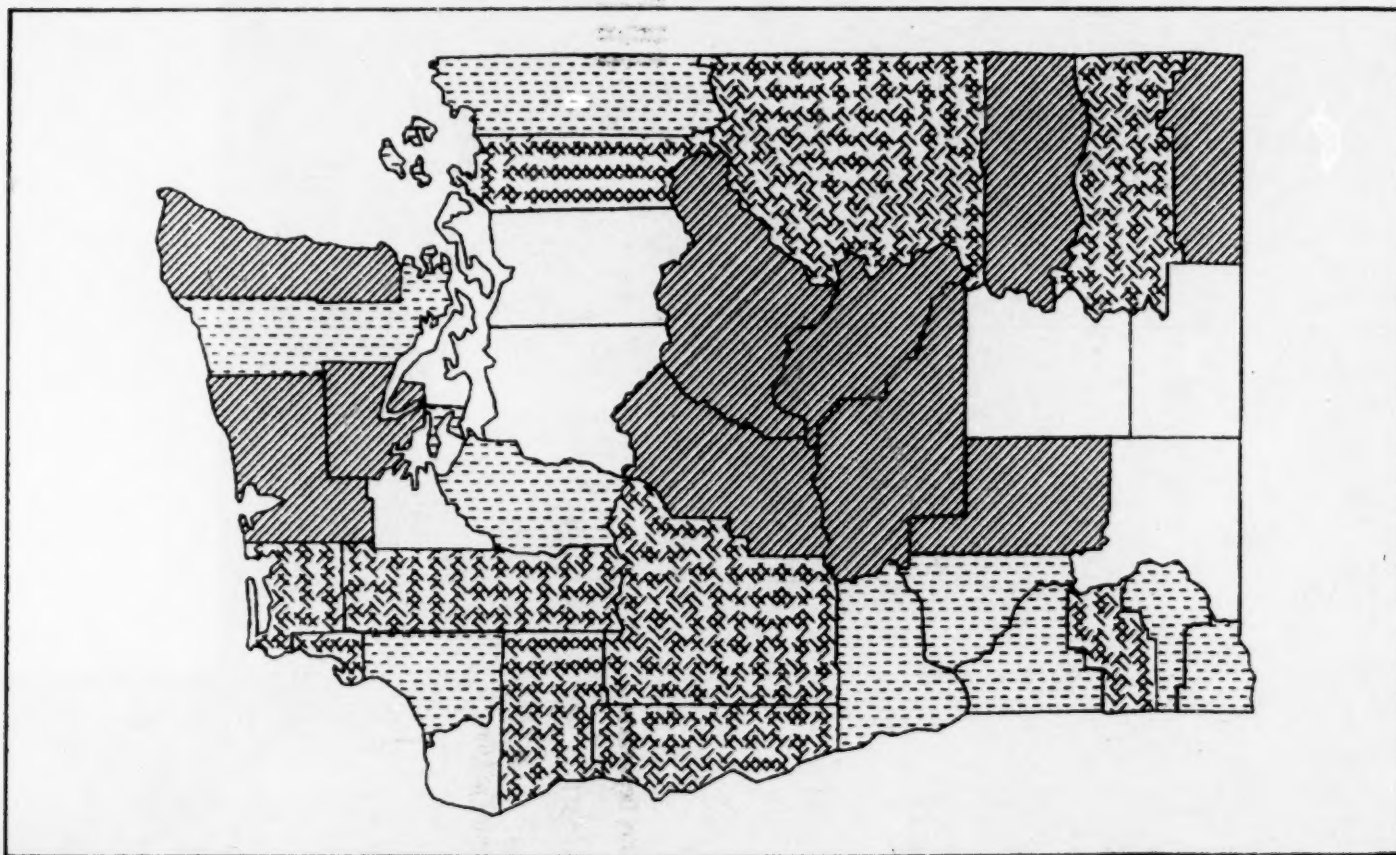
ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF
NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES. STATE OF WASHINGTON

	JAN. 1985 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		JAN	DEC	JAN	JAN	DEC	JAN	JAN	DEC	JAN
		1985	1985	1984	1984	1985	1984	1985	1985	1984
TOTAL MANUFACTURING INDUSTRIES *	175.800	\$445.43	\$455.52	\$448.53	38.3	39.0	38.7	\$11.63	\$11.68	\$11.59
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products.....	33.200	410.73	399.09	416.60	35.5	35.1	36.9	11.57	11.37	11.29
Primary metal industries.....	9.900	542.34	546.48	532.46	39.3	39.4	39.5	13.80	13.87	13.48
Fabricated metal products.....	7.000	450.65	450.00	453.19	39.6	39.2	38.9	11.38	11.50	11.65
Machinery.....	16.900	341.69	371.33	400.57	36.9	39.8	39.7	9.26	9.33	10.09
Food & kindred products.....	21.400	361.35	371.13	383.42	37.1	38.3	38.0	9.74	9.69	10.09
Chemicals & allied products...	5.100	558.25	560.58	530.84	42.1	42.5	42.0	13.26	13.19	12.62
SELECTED NONMANUFACTURING INDUSTRIES										
Construction.....	40.500	588.45	574.11	608.04	35.3	34.9	36.0	16.67	16.45	16.89
Wholesale and retail trade....	250.200	308.59	321.82	308.11	33.8	35.6	33.6	9.13	9.04	9.17

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.



JANUARY
UNEMPLOYMENT
RATES





Washington State
Employment Security Department

Isiah Turner, Commissioner

Prepared by the
Research & Analysis Branch
Olympia, WA 98504
(206) 753-5142

In cooperation with
the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 9, Number 3

March 1985

HIGHLIGHTS

Unemployment Down Seasonally

Unemployment in Washington State fell from 224,200 and 10.9 percent (revised) of the labor force in January to 212,700 and 10.4 percent in February. (Data are not seasonally adjusted.) The reduction in unemployment resulted from seasonal job growth in agriculture, construction, services and education, and continued expansion in aerospace. The seasonal job expansion will pick up momentum this spring and summer resulting in further reductions in unemployment. Compared with February 1984, total employment was up 38,100, while the number of jobless workers was down 5,500. The unemployment rate was 10.8 percent in February 1984 compared

	Feb. 1985* (Prel.)	Jan. 1985 (Rev.)	Feb. 1984
Civilian Labor Force	2,053,600	2,057,000	2,021,000
Total Employment	1,840,900	1,832,800	1,802,800
Total Unemployment	212,700	224,200	218,200
State Unemployment Rate	10.4	10.9	10.8
National Civilian Unemployment Rate	7.8	8.0	8.4

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more nearly comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for Federal program purposes. (Data in this table are not seasonally adjusted.)

with 10.4 percent this February. Labor market conditions have also improved nationally. Nationally, the jobless rate fell from 8.0 in January to 7.8 percent in February. The rate for the nation in February 1984 was 8.4 percent. (Data are not seasonally adjusted.)

**Puget Sound Economy
Improves But
Lumber Areas Lag**

While total employment in the state expanded over the year and total unemployment declined, most of the job growth and reduction in unemployment occurred in the Seattle and Tacoma metropolitan areas. This, however, is no surprise since aerospace has accounted for most of the increase in manufacturing jobs over the year. Aerospace is the largest manufacturing industry in the Puget Sound area. The Seattle area's employment growth between February 1984 and 1985 (up 40,700) alone exceeded the statewide jobs gain (up 38,100), while unemployment in the area fell 4,000 to account for nearly three-fourths of the statewide drop in unemployment (5,500). The unemployment rate for the Seattle Metropolitan Area fell from 8.7 percent in February 1984 to 7.9 percent in February 1985. Both rates were below comparable statewide rates (10.8 and 10.4 percent, respectively). Moreover, the year-to-year employment growth rate in the Seattle Metropolitan Area's labor market was greater than that for the nation as a whole. Between February 1984 and 1985, total employment in the Seattle area rose 5 percent versus a 12-month gain of 2.7 percent for the nation. Unemployment, however, fell 5.2 percent in the Seattle Metropolitan Area over the year versus a drop of 5.4 percent for the nation. The relatively large employment expansion in the Seattle area apparently attracted new job-seekers, preventing a larger drop in unemployment.

**Aerospace Major
Employer For
Tacoma Residents**

Although most aerospace jobs in this state are located in the Seattle Metropolitan Area, the industry employs thousands of Tacoma area residents who commute to King County. Aerospace, in fact, employed approximately 18 percent of all Tacoma Metropolitan Area manufacturing workers according to the 1980 Census of Population. Between February 1984 and 1985, total employment of Tacoma area residents rose 3,500, or 2.1 percent. Unemployment dropped 1,200 or 5.8 percent. The expansion in aerospace was obviously a factor. Although the jobless rate for the Tacoma area in February 1985 of 10.1 percent was well above the rate for the Seattle Metropolitan Area, it was below the statewide rate of 10.4 percent. In February 1984, the rate in the Tacoma Metropolitan Area was slightly above the statewide rate.

**Recovery Fades
In Lumber Areas**

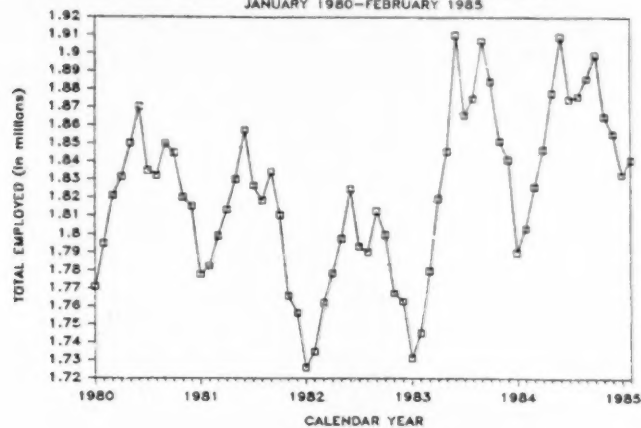
In contrast with improving economic conditions in the Puget Sound area, labor market conditions have deteriorated in areas of the state where the lumber industry is a major source of manufacturing jobs. Unfortunately the cause appears to be rooted in long term problems such as

growing competition with lower cost producers in Canada and the southern United States, the strength of the dollar, and labor-saving technology. Lower mortgage rates would boost the demand for lumber from builders, but it would not return employment of lumber workers to prerecession levels.

Statewide, lumber employment in February was down 10 percent over the year. Reflecting these cutbacks, unemployment in most logging and lumber communities has increased over the past 12 months. In Grays Harbor County the jobless rate rose from 14.5 percent in February 1984 to 16.5 percent in February 1985. The rate in Pacific County jumped from 16.7 to 23.3 percent year to year. In Mason County, the jobless rate rose from 12.4 to 14.1 percent year-to-year. Jobless rates in these and other lumber areas will likely decline in the spring and summer months as demand for lumber products increases seasonally. However, they will remain high in comparison to previous years and will continue to exceed rates in areas with more diversified economies.

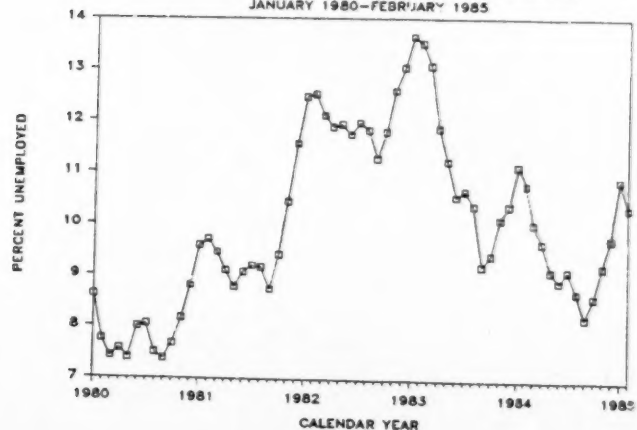
STATE TOTAL EMPLOYMENT

JANUARY 1980-FEBRUARY 1985



STATE UNEMPLOYMENT RATE

JANUARY 1980-FEBRUARY 1985



MANUFACTURING INDUSTRIES

Manufacturing employment rose 900 from January to February and was up 6,600 over the year. Growth in aerospace jobs alone exceeded the total increase in manufacturing, both in the January-February period and over the year. Fortunately, the expansion in aerospace has been sufficient to more than offset losses in other industries. The more sizable cutbacks over the year occurred in lumber and in the "other transportation equipment" category (mainly shipbuilding).

Between January and February, aerospace employment moved up 1,300 to more than offset losses of 500 in lumber and 300 in the volatile food products industry. The outlook in aerospace continues to be one of the few bright spots in the state manufacturing picture. Analysts expect increasing orders from airlines because of their improving financial condition and increased air travel. Declining fuel prices and stable labor costs have boosted airline profits, and new low cost fares are attracting more customers which will require additional aircraft.

Export-Import Bank Loans May Continue

Another positive sign for aerospace is a U.S. Senate Budget Committee decision to support legislation which would permit the Export-Import Bank to continue making direct loans for the foreign purchase of American products. In the past, loans from the bank have been used to finance the purchase of Boeing aircraft by foreign countries. Boeing contends that the loans are needed to force Airbus Industries, its European competitor, to stop providing subsidized low interest loans to attract business. The Reagan Administration had proposed eliminating the direct-loan program in favor of a loan guarantee, interest subsidy program. The Senate proposal would set aside a \$1 billion fund for direct loans to be used in "exceptional circumstances" and expand the proposed interest rate subsidy program.

The loss of 500 jobs in the lumber industry in February resulted from a plant closure and temporary cutbacks because of exceptionally cold and snowy weather. Employment in the industry will expand this spring and summer as demand for lumber products picks up along with seasonal growth in the homebuilding industry. Growth in the lumber industry will likely be below normal, however. Because of low prices for lumber products, many Washington lumber firms have not been able to operate profitably. Some firms, such as Weyerhaeuser, are seeking wage concessions from their employees. According to one industry report, an average mill in Western Washington and Oregon pays \$71 in labor costs for each 1,000 board feet of lumber produced, compared with \$47 for mills in interior British Columbia and \$45 for those in the southern United States.

Weyerhaeuser To
Lay Off 700

The Weyerhaeuser Company announced in early March that it would lay off 700 employees in Cowlitz County over the next two months. Union members had rejected work-rule changes. Weyerhaeuser said rule changes plus wage and benefit cuts would be required to restore the jobs. According to the International Woodworkers of America their members are not willing to take wage and benefit cuts, but would make other concessions to help make mills more profitable.

Wage Cuts in Metals &
Construction Industries

Wage and benefit cuts have become fairly common over the past year as firms seek to compete with producers in foreign countries or in other parts of the nation where labor costs are lower. Kaiser Aluminum and Chemical Corporation union workers nationally and in this state recently agreed to a \$1.84 cut in hourly wages and a \$2.66 per hour cut in benefits in exchange for Kaiser preferred stock. About 83 cents of every dollar in cuts will be applied to stock purchases. Kaiser has aluminum operations in Spokane and Tacoma. The company was in danger of bankruptcy. Workers at the Atlas Foundry in Tacoma rejected a wage cut contract in March but it will take effect anyway because they also voted against a strike. Details of the reductions were not announced, but Fick Foundry workers, also in Tacoma, accepted a \$1.80 per hour reduction in wages. Company contributions to medical and dental plans were also trimmed. Construction workers have also taken cutbacks. About 800 area union electricians have been affected by a 20 percent wage reduction for all construction work in Southwest Washington. Members of the Operating Engineers have accepted a 15 percent wage cut on some projects and 20 percent at firms building modules for the oil industry in Alaska. Workers in other industries have also taken cutbacks and more are in the offing.

NONMANUFACTURING INDUSTRIES

Tax Season
Creates Jobs

In the nonmanufacturing industries, services led the expansion both between January and February (up 2,400) and over the year (up 14,800). Nearly all segments of the industry expanded from their annual lows in January. Bookkeeping-accounting firms added staff to prepare income tax returns, but gains were also noted in hotels-motels, amusement establishments, business services and private education. Public education rose 2,100 in February, but the gain only returned employment back to near its November level. Education payrolls were trimmed in December for the holiday break. By February the new term, of course, was well underway.

Weather Delays
Construction Expansion

Construction payrolls rose 700 between January and February. This gain was well below seasonal expectations because of inclement weather. Rather than improving, weather conditions were worse in February than in January. February brought snow and subfreezing temperatures to most of the state. The return of moderate weather in March should see above average growth in construction jobs, especially those in outdoor projects.

Retail Trade Off
But Easter is Coming

Employment in retail trade fell 2,300 in February, but the drop was entirely seasonal and resulted from the end of January sales and inventory work. Seasonal factors will turn positive in March and employment at retail stores will expand. Stores selling bedding plants, garden and lawn care products will be the first to expand. Restaurants and gasoline stations will also see business increase as improved weather sparks wanderlust in local residents. Stores selling boats and other recreational vehicles will expand, while department and apparel stores will see added business as consumers purchase spring and summer clothing.

THE NATIONAL CONTEXT:
Indicators Show
Positive Tilt

National economic indicators were mainly positive in February, suggesting that the economy will continue to expand for at least several more months. The Index of Leading Economic Indicators rose seven-tenths of a percent in February, according to the U.S. Department of Commerce. In January the index rose 1.5 percent (revised), the largest increase in more than a year. The Department projected a 2.1 percent increase in the Gross National Product for the first quarter 1985, down from a 4.3 percent growth rate in the fourth quarter of 1984. The Department now expects growth to accelerate based on the change in the leading indicators and a 4.8 percent February rise in new orders for plant and equipment. Some economists are not so optimistic, citing a decline in the average workweek in manufacturing, from 40.6 hours in January to 40.0 hours in February, and a drop in factory orders for consumer goods.

Based on a survey of 1,400 executives, Dun and Bradstreet Corporation said that business expectations for second quarter sales, profits, inventories, employment and new orders have increased. Retail sales were already expanding. According to the Commerce Department, retail sales rose 1.4 percent in February to post their largest gain since November 1984. Sales were up 0.5 percent in January following a decline of 0.3 percent in December (data are seasonally adjusted). On the negative side, housing starts fell from a seasonally adjusted annual rate of 1.84 million units in January to 1.64 million units in February. The drop, however, resulted from a large decline in apartment building which followed an even sharper increase in the previous month. Construction starts and single family homes rose 5.3 percent in February.

**EXPANSIONS AND
ECONOMIC DEVELOPMENT**

**Pursuing An
Atom Collider**

Washington may compete with 15 to 20 other states for a Department of Energy \$4 billion atom collider. Construction would be started in 1987 and be completed in the 1990's.

There are three possible sites for the collider in Washington; Roy, Ephrata, and Wilbur near the Grand Coulee Dam. The structure, when completed, would be 20 to 30 miles in diameter. The colliders, ten foot wide tubes, would be buried 30 feet underground in a circular ditch up to 90 miles long. The project could result in 3,000 jobs and attract other high technology industries to the state.

**Pursuing an Auto Plant--
A Possibility of 6,000 Jobs**

General Motors is considering Washington as a possible site for a new \$5 billion auto plant which could create up to 6,000 new jobs. The plant might create up to 22,000 related jobs as well. Some 30 states have sent delegations to General Motors hoping to win the plant. Washington has a strategic advantage if the company decides to import parts from the Far East.

Danish Ships in Tacoma

Maersk Line of Copenhagen announced it has chosen Tacoma as its terminal for containership service between the Pacific Northwest and the Far East. The ships will begin calling on June 2. Port officials hope the line will create about 600 jobs both directly and indirectly. Maersk will bring about 40,000 to 60,000 20 foot container units through the port in the first year.

**MCI Communications
Corp. Expanding
In Seattle**

MCI Communications Corp., the nation's second largest long distance telephone carrier, has plans to expand its operations in Seattle. The company, with a staff of 25 in Seattle now, plans to expand to 100 workers by the end of 1985.

**Garment Firm
Expanding**

BRB Manufacturing Inc. of Sumner plans to expand from its 100 present employees to 150 workers. BRB has tentative approval from the Economic Development Corp. of Pierce County for \$990,000 in tax-free industrial revenue bond financing to fund its facility expansion.

The company president says the garment industry has regained some of the domestic business from overseas manufacturers because retailers are ordering smaller numbers of garments at a time on shorter notice. New fabrics not yet available in the Orient help American manufacturers compete as well, she said. The company has made special efforts to hire women receiving public assistance.

Yakima County
Plans Expansion

The Yakima County Chamber of Commerce has contracted for a Target Industry Marketing Analysis intended to identify key elements to create a positive long-term economic development plan for the county. The second phase of the economic development plan is the creation of the Yakima County Economic Development Association, which will implement the results of the study. The association is expected to begin operations in early 1986.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	<u>INDEXES</u>			<u>PERCENT CHANGE</u>			
	<u>Feb</u> <u>1984</u>	<u>Jan</u> <u>1985</u>	<u>Feb</u> <u>1985</u>	<u>Year</u> <u>Ending</u>		<u>2 Months</u> <u>Ending</u>	
				<u>Jan</u> <u>1985</u>	<u>Feb</u> <u>1985</u>	<u>Jan</u> <u>1985</u>	<u>Feb</u> <u>1985</u>
U.S. City Average	306.6	316.1	317.4	3.6	3.5	0.3	0.6
Seattle-Everett	NA	319.5	NA	3.5	NA	0.4	NA

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/
(In Thousands)

NOT SEASONALLY ADJUSTED

	Feb. 1985 (Prel.)	Jan. 1985 (Rev.)	Feb. 1984	Jan. 1984	<u>Change</u> Jan. 85 to Feb. 85	
TOTAL NONAG. WAGE AND SALARY	1,639.1	1,636.4	1,591.7	1,579.5	2.7	47.4
TOTAL MANUFACTURING	283.4	282.5	276.8	272.6	0.9	6.6
Durable Goods	198.5	197.5	193.3	190.0	1.0	5.2
Lumber & Wood Products	36.2	36.7 <u>3/</u>	40.3	39.2	-0.5	-4.1
Furniture & Fixtures	3.4	3.3	3.3	3.2	0.1	0.1
Stone, Clay & Glass Products	6.1	6.1	5.8	5.7	0.0	0.3
Primary Metals Industries	12.8	12.9	13.4	13.1	-0.1	-0.6
Aluminum Prod. & Processing	8.5	8.4	8.9	8.6	0.1	-0.4
Fabricated Metal Products	9.3	9.3	9.2	9.0	0.0	0.1
Machinery	28.0	27.8	27.5	26.7	0.2	0.5
Machinery (exc. electrical)	16.1	15.9	16.7	16.1	0.2	-0.6
Electrical & Electronic Equip.	11.9	11.9	10.8	10.6	0.0	1.1
Transportation Equipment	87.7	86.4	79.7	79.0	1.3	8.0
Aerospace	73.8	72.5	63.4	62.9	1.3	10.4
Other Transportation Equip.	13.9	13.9	16.3	16.1	0.0	-2.4
Instruments & Related Prod.	10.4	10.4	9.8	9.8	0.0	0.6
Misc. Manufacturing Indus.	4.6	4.6	4.3	4.3	0.0	0.3
Nondurable Goods	84.9	85.0	83.5	82.6	-0.1	1.4
Food & Kindred Products	27.8	28.1	28.4	27.5	-0.3	-0.6
Canned & Preserved Foods	8.8	9.1	9.1	8.1	-0.3	-0.3
Apparel & Other Text. Products	6.2	6.3	6.1	6.0	-0.1	0.1
Paper & Allied Products	15.9	16.0	15.7	15.9	-0.1	0.2
Printing & Publishing	17.0	16.9	16.1	16.1	0.1	0.9
Chemicals & Allied Products	10.9	10.7	10.2	10.2	0.2	0.7
Other Nondurable Goods <u>2/</u>	7.1	7.0	7.0	6.9	0.1	0.1
MINING & QUARRYING	2.5	2.5	2.5	2.5	0.0	0.0
CONSTRUCTION	71.0	70.3	68.4	66.5	0.7	2.6
TRANSP. & PUBLIC UTILITIES	88.2	88.4	86.9	86.8	-0.2	1.3
WHOLESALE & RETAIL TRADE	398.6	401.5	385.7	388.2	-2.9	12.9
Wholesale Trade	100.5	101.1	98.9	97.9	-0.6	1.6
Retail Trade	298.1	300.4	286.8	290.3	-2.3	11.3
FINANCE, INS. & REAL ESTATE	94.1	94.6	92.6	92.5	-0.5	1.5
SERVICES	353.9	351.5	339.1	334.5	2.4	14.8
GOVERNMENT	347.4	345.1	339.7	335.9	2.3	7.7
Federal	68.9	68.8	67.1	66.9	0.1	1.8
State & Local	278.5	276.3	272.6	269.0	2.2	5.9
Education	155.9	153.8	153.0	149.8	2.1	2.9
Workers in Labor Management Disputes	0.0	0.1	0.0	0.0	0.0	0.0

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastics products, petroleum and refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

March 26, 1985
Benchmark 1984

(Not Seasonally Adjusted)

	February 1985 Preliminary 1/				January 1985 Revised 1/			
	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate
Washington State Total	2,071,000	1,851,200	219,800	10.6	2,065,800	1,840,700	225,100	10.9
Bellingham MSA	50,700	44,400	6,300	12.4	50,200	43,600	6,600	13.1
Bremerton MSA	65,300	60,500	4,800	7.4	65,100	60,100	5,000	7.7
Olympia MSA	60,900	54,700	6,200	10.2	60,500	54,300	6,200	10.2
Seattle PMSA	938,500	862,500	76,000	8.1	937,300	858,000	79,300	8.5
King County	736,000	678,500	57,500	7.8	733,900	675,000	58,900	8.0
Snohomish County	202,500	184,000	18,500	9.1	203,400	183,100	20,300	10.0
Spokane MSA	161,100	144,500	16,600	10.3	160,600	144,000	16,600	10.3
Tacoma MSA	195,200	174,900	20,300	10.4	195,300	174,700	20,600	10.5
Tri-Cities MSA 2/	70,700	61,100	9,600	13.6	70,600	60,700	9,900	14.0
Vancouver PMSA	93,100	83,600	9,500	10.2	92,800	83,400	9,400	10.1
Yakima MSA	78,300	63,500	14,800	18.9	77,100	62,700	14,400	18.7
Adams	6,690	5,600	1,090	16.3	6,600	5,500	1,100	16.7
Asotin	8,400	7,410	990	11.8	8,340	7,360	980	11.8
Clallam	19,160	16,100	3,060	16.0	19,440	15,770	3,670	18.9
Columbia	1,800	1,380	420	23.3	1,740	1,330	410	23.6
Cowlitz	33,110	28,300	4,810	14.5	32,820	28,260	4,560	13.9
Ferry	2,560	2,080	480	18.8	2,470	2,020	450	18.2
Garfield	1,020	900	120	11.8	1,020	890	130	12.7
Grant	21,700	18,020	3,680	17.0	21,130	17,620	3,510	16.6
Grays Harbor	29,560	24,570	4,990	16.9	29,820	24,460	5,360	18.0
Island	15,630	14,000	1,630	10.4	15,280	13,690	1,590	10.4
Jefferson	6,420	5,530	890	13.9	6,420	5,510	910	14.2
Kittitas	10,930	9,170	1,760	16.1	10,890	9,140	1,750	16.1
Klickitat	6,870	5,270	1,600	23.3	6,780	5,250	1,530	22.6
Lewis	24,090	19,740	4,350	18.1	24,060	19,660	4,400	18.3
Lincoln	3,820	3,510	310	8.1	3,730	3,430	300	8.0
Mason	10,950	9,370	1,580	14.4	11,030	9,360	1,670	15.1
Okanogan	14,090	10,900	3,190	22.6	14,230	10,840	3,390	23.8
Pacific	7,050	5,370	1,680	23.8	7,100	5,410	1,690	23.8
Pend Oreille	4,090	3,420	670	16.4	4,080	3,410	670	16.4
San Juan	3,710	3,290	420	11.3	3,720	3,280	440	11.8
Skagit	32,910	27,260	5,650	17.2	32,760	26,740	6,020	18.4
Skamania	2,860	1,910	950	33.2	2,750	1,850	900	32.7
Stevens	11,420	9,230	2,190	19.2	11,300	9,240	2,060	18.2
Wahkiakum	1,110	920	190	17.1	1,180	890	290	24.6
Walla Walla	24,780	21,760	3,020	12.2	24,630	21,510	3,120	12.7
Wenatchee Labor Area 3/	36,850	31,430	5,420	14.7	37,440	31,850	5,590	14.9
Whitman	15,820	15,150	670	4.2	15,540	14,870	670	4.3

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.

2/ Includes Benton and Franklin counties.

3/ Includes Chelan and Douglas counties.

Note: Detail may not add due to rounding.

Research and Analysis

Washington State
EMPLOYMENT SECURITY DEPARTMENT

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: March 28, 1985
Benchmark: 1984

(Not Seasonally Adjusted)

	February 1985 Preliminary 1/				January 1985 Revised 1/				February 1984 Revised			
	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate
Washington State Total	2,053,600	1,840,900	212,700	10.4	2,057,000	1,832,800	224,200	10.9	2,021,000	1,802,800	218,200	10.8
Bellingham MSA	50,300	44,200	6,100	12.1	49,900	43,400	6,500	13.0	50,800	44,500	6,300	12.4
Bremerton MSA	64,800	60,200	4,600	7.1	64,900	59,900	5,000	7.7	63,400	58,500	4,900	7.7
Olympia MSA	60,300	54,300	6,000	10.0	60,300	54,100	6,200	10.3	59,000	52,600	6,400	10.8
Seattle PMSA	931,200	857,700	73,500	7.9	933,400	854,400	79,000	8.5	894,500	817,000	77,500	8.7
Spokane MSA	159,800	143,700	16,100	10.1	159,900	143,400	16,500	10.3	156,200	141,600	14,600	9.3
Tacoma MSA	193,500	173,900	19,600	10.1	194,400	173,900	20,500	10.5	191,200	170,400	20,800	10.9
Tri-Cities MSA 2/	70,000	60,700	9,300	13.3	70,300	60,400	9,900	14.1	73,100	62,400	10,700	14.6
Vancouver PMSA	92,400	83,200	9,200	10.0	92,500	83,100	9,400	10.2	91,500	81,900	9,600	10.5
Yakima MSA	77,400	63,100	14,300	18.5	76,800	62,400	14,400	18.8	83,700	68,000	15,700	18.8
Adams	6,620	5,570	1,050	15.9	6,580	5,480	1,100	16.7	7,050	6,000	1,050	14.9
Asotin	8,330	7,370	960	11.5	8,310	7,330	980	11.8	8,040	7,260	780	9.7
Clallam	18,970	16,010	2,960	15.6	19,360	15,700	3,660	18.9	18,740	15,780	2,960	15.8
Columbia	1,780	1,370	410	23.0	1,730	1,320	410	23.7	1,910	1,480	430	22.5
Cowlitz	32,790	28,140	4,650	14.2	32,680	28,140	4,540	13.9	32,700	28,350	4,350	13.3
Ferry	2,530	2,060	470	18.6	2,450	2,010	440	18.0	2,550	2,080	470	18.4
Garfield	1,020	900	120	11.8	1,020	890	130	12.7	1,140	1,030	110	9.6
Grant	21,480	17,920	3,560	16.6	21,040	17,550	3,490	16.6	22,130	18,600	3,530	16.0
Grays Harbor	29,270	24,440	4,830	16.5	29,700	24,360	5,340	18.0	29,090	24,870	4,220	14.5
Island	15,490	13,920	1,570	10.1	15,220	13,630	1,590	10.4	15,140	13,560	1,580	10.4
Jefferson	6,360	5,500	860	13.5	6,390	5,490	900	14.1	6,300	5,540	760	12.1
Kittitas	10,810	9,110	1,700	15.7	10,840	9,100	1,740	16.1	11,300	9,520	1,780	15.8
Klickitat	6,780	5,240	1,540	22.7	6,740	5,220	1,520	22.6	6,960	5,470	1,490	21.4
Lewis	23,840	19,630	4,210	17.7	23,960	19,580	4,380	18.3	23,960	20,330	3,630	15.2
Lincoln	3,790	3,490	300	7.9	3,710	3,410	300	8.1	4,320	3,920	400	9.3
Mason	10,850	9,320	1,530	14.1	10,980	9,320	1,660	15.1	10,910	9,560	1,350	12.4
Okanogan	13,920	10,840	3,080	22.1	14,170	10,790	3,380	23.9	14,910	11,810	3,100	20.8
Pacific	6,960	5,340	1,620	23.3	7,070	5,390	1,680	23.8	6,840	5,700	1,140	16.7
Pend Oreille	4,050	3,400	650	16.0	4,070	3,400	670	16.5	4,090	3,480	610	14.9
San Juan	3,680	3,270	410	11.1	3,700	3,260	440	11.9	3,440	3,040	400	11.6
Skagit	32,570	27,100	5,470	16.8	32,630	26,630	6,000	18.4	32,700	27,440	5,260	16.1
Skamania	2,810	1,890	920	32.7	2,740	1,840	900	32.8	2,790	1,990	800	28.7
Stevens	11,290	9,180	2,110	18.7	11,260	9,210	2,050	18.2	11,900	9,720	2,180	18.3
Wahkiakum	1,100	920	180	16.4	1,180	890	290	24.6	1,270	970	300	23.6
Walla Walla	24,550	21,630	2,920	11.9	24,530	21,420	3,110	12.7	25,110	21,940	3,170	12.6
Wenatchee Labor Area 3/	36,510	31,260	5,250	14.4	37,280	31,720	5,560	14.9	36,160	30,770	5,390	14.9
Whitman	15,700	15,060	640	4.1	15,480	14,810	670	4.3	16,360	15,760	600	3.7

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

2/ The Tri-Cities MSA includes Benton and Franklin Counties.

3/ The Wenatchee Labor Area includes Chelan and Douglas counties.

NOTE: Detail may not add due to rounding.

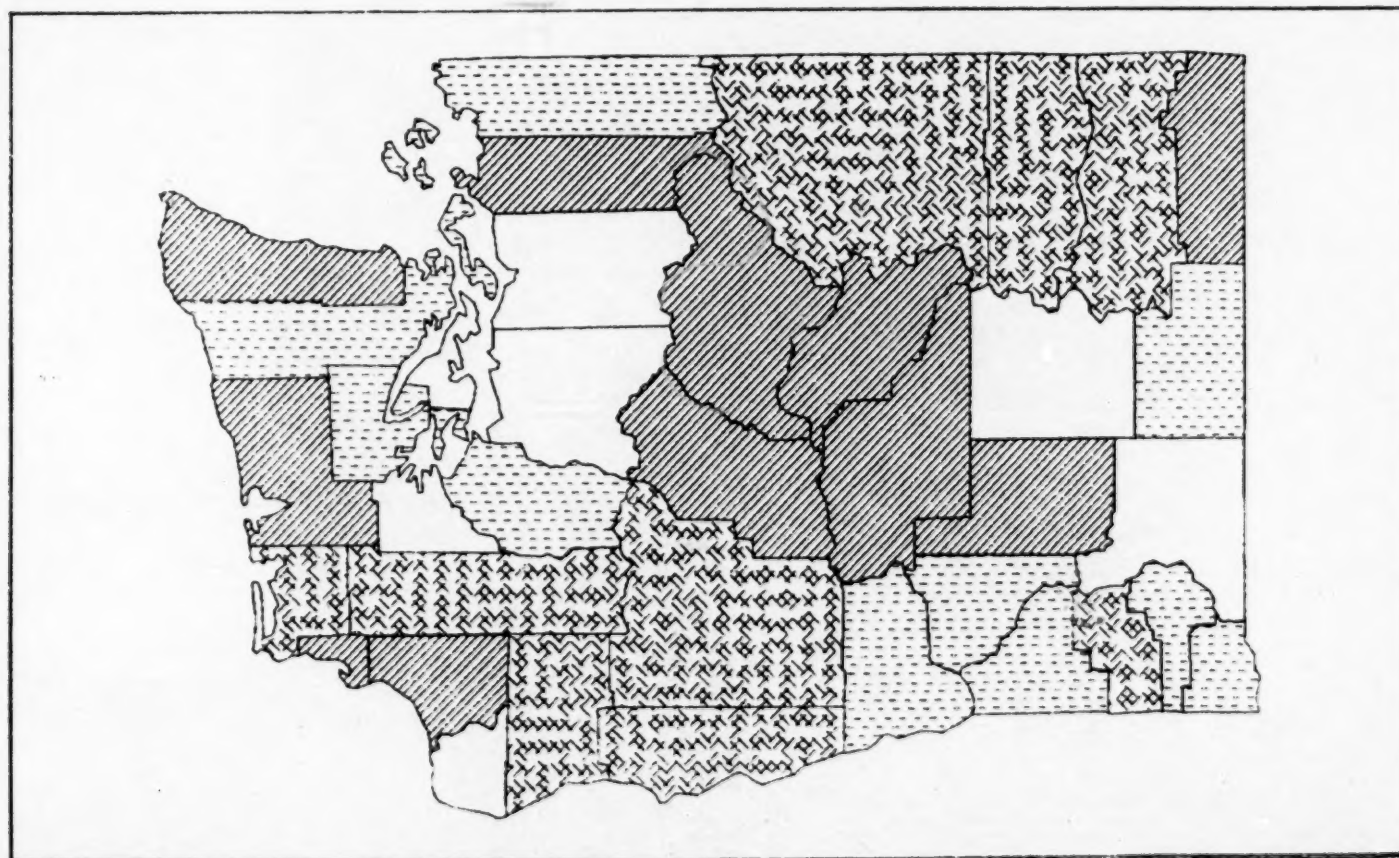
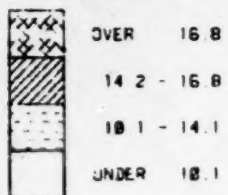
Research and Analysis Branch

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF
NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	FEB. 1985 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		FEB	JAN	FEB	FEB	JAN	FEB	FEB	JAN	FEB
		1985	1985	1984	1985	1985	1984	1985	1985	1984
TOTAL MANUFACTURING INDUSTRIES *	175,800	\$441.18	\$443.48	\$454.35	38.0	38.1	39.0	\$11.61	\$11.64	\$11.65
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products.....	32,600	370.70	405.60	432.44	33.7	35.3	38.1	11.00	11.49	11.35
Primary metal industries.....	9,900	541.15	538.54	540.15	39.5	38.8	40.1	13.70	13.88	13.47
Fabricated metal products.....	7,100	448.53	449.16	459.15	38.5	39.4	40.1	11.65	11.40	11.45
Machinery.....	17,000	349.88	352.13	388.11	37.5	37.5	38.2	9.33	9.39	10.16
Food & kindred products.....	21,100	361.97	362.25	357.83	36.6	37.5	36.7	9.89	9.66	9.75
Chemicals & allied products...	5,300	559.57	565.82	529.62	42.2	42.8	42.1	13.26	13.22	12.58
SELECTED NONMANUFACTURING INDUSTRIES										
Construction.....	51,300	578.57	574.46	603.33	35.3	35.2	35.7	16.39	16.32	16.90
Wholesale and retail trade....	246,600	312.80	307.44	304.27	34.0	33.6	33.4	9.20	9.15	9.11

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.

FEBRUARY
UNEMPLOYMENT
RATES





Washington State
Employment Security Department
Isiah Turner, *Commissioner*

Prepared by the
Labor Market and
Economic Analysis Branch
Olympia, WA 98504
(206) 753-5142

In cooperation with
the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 9, Number 4

April 1985

HIGHLIGHTS

Job Total Springs Ahead

Warmer weather in March prompted a sharp seasonal employment expansion in Washington State. Employment rose 29,800 from February to total 1,873,500 in March (data are not seasonally adjusted). Most of the new jobs were in agriculture food processing, construction and the trade and service industries. Employment in February was depressed by snow and subfreezing weather throughout much of the state. With the snow gone and relatively dry and mild weather in March, farmers were preparing fields for the planting of this year's crops, pegging and twining in hop yards, pruning

	March 1985* (Prel.)	Feb. 1984 (Rev.)	March 1984
Civilian			
Labor Force	2,069,500	2,058,000	2,030,000
Total Employment	1,873,500	1,843,700	1,826,100
Total Unemployment	196,000	214,300	203,900
State Unemployment			
Rate	9.5	10.4	10.0
National Civilian			
Unemployment Rate	7.5	7.8	8.1

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for Federal program purposes. (Data in this table are not seasonally adjusted.)

fruit trees and harvesting daffodils. Nonagricultural wage and salary employment rose nearly 18,000. Weather was a factor in the increase in nonfarm jobs too, especially in construction where outdoor work was at a near standstill in the previous month. Trade and service activities benefited from more tourist trade as sunny weekends encouraged local residents to take short trips.

Responding to the expansion in employment opportunities, unemployment in Washington State dropped from 214,300 and 10.4 percent of the labor force in February to 196,000 and 9.5 percent in March. In March 1984, one year ago, the jobless rate was 10.0 percent, or one-half point higher, and there were an additional 7,900 unemployed workers. Nationally, the unemployment rate fell from 7.8 percent in February to 7.5 percent in March. The rate for the nation in March 1984 was 8.1 percent. (Data are not seasonally adjusted.)

Fewer Unemployed

Unemployment declined in nearly every area of the state between February and March in response to seasonal job opportunities. Conditions in individual areas, however, varied considerably. Jobless rates in March ranged from a low of 4.1 percent in Whitman County to a high of 24.6 percent in Skamania County. Whitman County's economy, of course, is dominated by wheat farming and Washington State University, while the lumber industry predominates in Skamania County. Metropolitan areas generally enjoyed lower unemployment rates than non-metropolitan areas. As might be expected, the highest rates were in the hard-pressed lumber areas. Compared with the statewide rate of 9.5 percent in March, the average rate in metropolitan areas was 8.6 percent while the jobless rate in counties highly dependent on the lumber industry averaged 15.1 percent.

Around the State

Even within the metropolitan areas, however, rates varied considerably, ranging from lows of 6.7 percent in Bremerton and 7.5 percent in the Seattle Metropolitan Area, to a high of 16 percent in the Yakima area. Rates in Yakima have historically been well above the statewide rate because of the volatile nature of its major industry, agriculture and the related food processing industry. Although Yakima's unemployment was high in March, it was down from February (18.7 percent) and from March 1984 (16.6 percent). The asparagus harvest in April and May will boost employment in Yakima County substantially. Many of these jobs are filled by migrant farmworkers from the Southwestern United States. Nonetheless, unemployment should drop to the 13 percent range.

The Bremerton area owes its lower jobless rate to the stability of its major employers, the Puget Sound Naval Shipyard and other naval installations. Earlier this

year, however, the Navy stated that it would reduce employment at its eight shipyards across the nation by 5,100. Cutbacks for individual yards have not been announced as yet. Seattle's economy is strong and its unemployment fairly low because of the expansion in aerospace and the diversity of its economy relative to other areas of the state. It is the major financial, medical, education and trade center for the Northwest.

Spokane's unemployment rate in March, at 9.4 percent, was close to the statewide rate, but unemployment in the area was up over the year because of layoffs in the aluminum industry. Hopefully, recent wage and benefit cuts accepted by aluminum workers in Spokane will stabilize the workforce in the industry. Further rate cuts to aluminum plants by the Bonneville Power Administration however, may also be required. The jobless rate in the Spokane Metropolitan Area in March 1984 was 8.6 percent, or eight-tenths of a point below the rate for March 1985.

Manufacturing Industries

Aerospace Keeps Recovery Alive

Manufacturing employment rose 2,100 between February and March in Washington State. Aerospace posted an increase of 600 to continue its expansion, while other gains were largely seasonal. The importance of the aerospace industry to the state's economy is clear in the year-to-year comparison. The number of aerospace jobs has increased 10,400 over the year, while the total for all other manufacturing industries shows a loss of 4,600. Aside from aerospace, the only manufacturing industries to produce significant jobs growth over the past 12 months have been electrical-electronic equipment (up 900), instruments (up 500), printing-publishing (up 800), and chemicals (up 700). The gains in electrical-electronic equipment and instruments reflects growth in new high-technology industries. The increase in chemicals occurred mainly in the Richland-Kennewick area's nuclear industry. The expansion in printing-publishing largely reflects an improved economy and population growth. Food products was up 500 over the year, but the gains here reflect the volatile nature of the industry.

On the negative side, several durable goods industries have been hard hit. The major job loss has been in the lumber industry (down 4,700) because of competition from Canada and low wage areas in the South and automation. Other sizable employment losses over the past 12 months include "other transportation equipment" (down 2,200)--mainly shipbuilding, primary metals (down 900), and non-electrical machinery (down 800).

Food processors added 700 workers in March but much of the increase represented short-term jobs in potato processing. Although these workers were laid off in April, total employment in the industry should increase further as work begins on the asparagus crop. Employment in stone-clay-glass products rose 200 in March with a pickup in seasonal demand from the construction industry.

Long-Term Problems Continue in Shipbuilding

Employment in the "other transportation equipment" industry also increased 200 in March. All of the gain occurred at one shipyard. Long-term problems continue in the industry. Tacoma Boatbuilding Company, one of the largest private employers in the Pierce County area, announced a record \$48 million loss in 1984. Company auditors said that without new money the Company's continued existence was in doubt. In January 1985 the company received \$15 million from new investors who acquired control of the shipyard. The new money has not been enough. Adding to the firm's problems, Tacoma Boatbuilding lost a contract in early April to build six submarine trackers for the Navy. The low bidder was a New Orleans shipyard. Wage rates are as much as \$5/hour less at Gulf Coast shipyards. Tacoma Boatbuilding had hoped to get the contract since it was the design developer

of the ships and had already won contracts to build 12 of the ships.

Pulp and paper industry employment dropped 100 in March and was 200 under its year-earlier level. In April, Longview Fibre announced the termination of 100 employees because of "softening markets".

Lumber Productivity Up, Jobs Down

In the lumber and wood products industry, employment was unchanged between February and March, a period when employment normally posts a significant seasonal advance. While previous downturns in the industry have mainly resulted from a low level of housing starts, the decline now results from competition from Canada and low wage areas in the South, and increased productivity. In the Pacific Northwest lumber production was about the same in 1979 and 1984, but lumber employment was estimated to be down 20 percent. Canadian mills are able to sell lumber in the United States for less than domestic producers because of lower log prices and because the U.S. dollar has increased in value relative to the Canadian dollar. Opponents of Canadian lumber imports claim Canadian lumber is subsidized by their government through the sale of timber at prices considerably below that which U.S. mills must pay. Proposals to limit Canadian lumber sales in the United States have failed.

At its annual meeting, The Weyerhaeuser Company said that the Pacific Northwest is undergoing a shakeout in its commodity wood-products industry. Its (Weyerhaeuser's) Northwest lumber and plywood mills are experiencing significant losses in marginal profits. The company said it would continue to cut some "marginal mills and products" and reduce its workforce further.

Tacoma Smelter Closes

Primary metals employment dipped 100 in March and was down 900 over the year. The closure of the ASARCO smelter in Tacoma will result in larger losses in April and May. According to news reports, the firm employed 418 workers in late March. They expected to be down to a few security guards and office workers in two months. The closure of the historic smelter resulted from low world copper prices and the cost of complying with environmental standards.

Aluminum Competes In World Market

Aluminum employment was unchanged between February and March but was down 600 over the year. The problem facing Northwest aluminum producers is that the price for the metal is now below the cost of production at many of their plants. The supply of aluminum has increased because of greater production in foreign countries and the recycling of scrap aluminum. Scrap aluminum is now a major source of supply which can be used over and over again in many applications. While the total supply has

increased in recent years, growth in the demand for aluminum has dropped. Demand for aluminum increased for several years as manufacturers substituted aluminum for steel and copper in numerous products, e.g., beverage cans, automobiles, power cable. The substitution is now largely complete, and the demand for aluminum today is more closely tied to overall industrial activity. Thus, demand for aluminum is much more volatile than before. Northwest aluminum producers must reduce their costs of production below the market price of aluminum or close down. There are 10 plants in the Northwest including seven in Washington State. One in Oregon has already closed, while another in Montana is up for sale. Three other plants in the Northwest may close unless they can reduce their costs or unless the market price of aluminum increases.

Major costs to produce aluminum include:

Electricity-----	22 percent
Capital-----	28 percent
Alumina-----	26 percent
Labor-----	13 percent

The cost of capital, alumina, and labor are about the same for all producers. The major variable is the cost of electricity. The cost of electricity varies from 15 mills/KWh in Canada to 68 mills in Japan. The cost in the United States averages 25 mills/KWh. In Japan production has dropped by two-thirds in recent years.

Aluminum plants purchase about one-third of the electric power produced by the Bonneville Power Administration (BPA). Since BPA's costs are largely fixed, BPA and its other customers have a major stake in the continued operation of the plants. BPA is now considering several options to assist the area's aluminum plants. One option is to help modernize aluminum plants so that they use electricity more efficiently. Another is to tie the price of electricity for aluminum producers to the price of aluminum. A third option is to offer a rate reduction in return for some of their rights to firm power; more power sold to aluminum plants would then be interruptable which could be sold to other customers when necessary. A fourth option would be to let the companies buy power elsewhere if it's cheaper.

Nonmanufacturing Industries

In the nonmanufacturing industries improving weather sparked gains in construction (up 3,300), retail trade (up 2,400) and the service industries (up 5,100). Snow and subfreezing temperatures which affected most areas of the state in February kept outdoor construction employment at a minimum. March marked the beginning of the industry's seasonal expansion which should continue

through summer and early fall. Sunshine in March encouraged local residents to take short trips which boosted employment at gasoline stations, restaurants, and hotels-motels. Golf courses added employees as did garden supply and building material stores. The service industry also saw expansions in agricultural services, business services, personal services (income tax preparers), and health services.

**Brisk Tourist
Season Expected**

Tourist business will boost employment in the state's trade and service industry significantly in coming months. Foreign tourists are expected to arrive in record numbers. Customs and immigration workers at the Seattle-Tacoma Airport expect an additional 100,000 foreign visitors this year, up from one million in 1984. Visitors from the Far East, mainly Japan, have more than doubled in the last five years.

**Pot Holes
Help Some**

Government civilian payrolls advanced 2,400 between February and March. Here, too, a good part of the gain was seasonal. Seasonal workers are hired in the spring to resume lawn and landscape work around government buildings, to fill pot holes and do other seasonal maintenance work. Hundreds of seasonal workers will be hired this summer to staff parks and playgrounds. The National Forests will also add staff to take care of various summer tasks, including fire prevention and fire fighting. Schools, at the same time, will be terminating thousands of non-teaching personnel (bus drivers, cafeteria workers, etc.) for the summer.

THE NATIONAL CONTEXT

Mixed Signals

National economic indicators were mixed in March, suggesting that the economic recovery may pause in the months ahead. While there are no signs of a major downturn, it is perhaps unrealistic to expect the recovery to continue at its pace of the last two years. Although unemployment remains unacceptably high in the nation and the state, the expansion has been substantial. Between March 1983 and March 1985, employment nationally has increased by 7.8 million (7.9 percent), while unemployment dropped nearly 3.3 million. The jobless rate in the nation was 10.8 percent in March 1983 compared with 7.5 percent in March 1985. The overall expansion has been more moderate in Washington State because of the aborted recovery in the lumber industry. Nonetheless, employment in the state rose 94,000 (5.3 percent) between March 1983 and March 1985, while unemployment dropped 71,900. The unemployment rate in March 1983 was 13.1 percent compared with 9.5 percent in March 1985.

The Index of Leading Economic Indicators in March fell 0.2 percent and increases for January and February were scaled back to 1.3 percent (from 1.5) and 0.5 percent (from 0.7) by the U.S. Department of Commerce. Estimates

of the Gross National Product (GNP) for the first quarter of 1985 confirm a slowing trend in the economy. The GNP rose at an annual rate of 1.3 percent during the quarter, down from 4.3 percent in the fourth quarter of 1984.

On the positive side, housing starts jumped 16.2 percent in March to post their largest gain in over two years. According to the Commerce Department, the seasonally adjusted annual rate rose to 1.895 million units for the nation. Exceptionally good weather in March was credited for the increase along with lower mortgage interest rates. Rates peaked in July 1984 and then fell through February 1985 before rising slightly in early March. The average rate for conventional fixed rate mortgages was 13.7 percent in March compared with 15.2 percent in July 1984. Sales of single family houses have also been strong, rising nearly 9 percent in March to their highest level since February 1984. The increase in sales was even greater in the west, up 22.2 percent from February. The Commerce Department also reported that the median price for a new single family home in March was \$83,000, while the average price was \$100,200.

Personal income continued to increase in March, but spending declined. Some analysts have attributed the reduction in consumer spending to delays by the Internal Revenue Service in processing tax refunds. The drop in spending, of course, is at the heart of this state's budget problems, since the sales tax is the major source of state revenue. Some of the spending slowdown in Washington State, however, likely results from the uncertainty over job security facing thousands of workers in the lumber and aluminum industries. Wage reductions in several industries may also be an increasing factor in the decline in the growth of taxable sales in the state.

EXPANSIONS AND ECONOMIC DEVELOPMENT

The Evergreen Community Development Association, which packages Small Business Administration loans, helped many small businesses expand their operations in 1985. The following is a summary of projects funded or approved from January to April 1985:

- ° Restaurants International, Inc., has opened its second restaurant in Fife, creating 35 new jobs.
- ° Bowen, Hafey and Pennington, a CPA firm, constructed a larger building and added ten employees.
- ° Rax Restaurant of Monroe, an owner-built franchise, was built and will hire 36 workers.
- ° Hytec, Inc., a manufacturer of fiberglass tub and shower stalls, expanded to create 35 jobs in Yelm.

- Kitsap Veterinary Clinic constructed a larger facility which will employ an additional 10 workers.
- Western Clinic built a new medical facility creating 21 new jobs.
- Harbor Square Athletic Club in Edmonds is adding tennis courts and other facilities and will hire 25 additional workers.
- Glenoma Farms of Glenoma purchased and upgraded a salmon farm, which will employ an additional 22 people.

Tacoma Businesses Expand

GRS Enterprises of Tacoma, an apparel manufacturer, is building a facility which will create about 75 new jobs.

Production Plastics will hire 15 new machine operators in their injection plastic molding facility as a result of a recent expansion.

Commencement Bay Corrugated will add about 20 new jobs as a result of the expansion of their operations in the Northwest.

Moses Lake Growth

Tama Chemical Industry, Ltd., a Japanese firm, has formed a new subsidiary called Moses Lake Industries which has begun construction of facilities to produce ultra-pure chemicals for the optical fiber industries. The first phase of the project should be completed by the spring of 1985. About 20 workers will be employed by the company in 1986. The firm hopes to expand and employ 100 workers ultimately.

The Union Carbide polycrystalline silicon plant in Moses Lake will double its production capacity by 1986. The expansion will create about 100 new jobs.

Vancouver Attracts Large Japanese Facility

The City of Vancouver has received \$3.5 million in grants and loans from the state Community Economic Revitalization Board to pay for road and sewer improvements needed for a new facility being built by Kyocera Corp. of Kyoto, Japan. Kyocera is building a \$5.5 million computer component plant. The facility is scheduled for completion by the end of 1985 and will employ 250 workers. Kyocera may eventually expand at a total cost of about \$30 million and employ 2,200 people in Vancouver.

• Mushroom Plant In Seattle

A West German firm plans to open a \$100,000 plant to process and export wild chanterelles. The mushrooms would be picked by 600 to 800 people who would sell them to the firm.

Taiwan Buys
Washington Products

The director of the Taiwan Board of Foreign Trade said Taiwan plans to buy \$300 million in Washington products, including \$12.4 million in grain. The director of the state Department of Agriculture, C. Alan Pettibone, noted Taiwan is Washington's third largest trading partner.

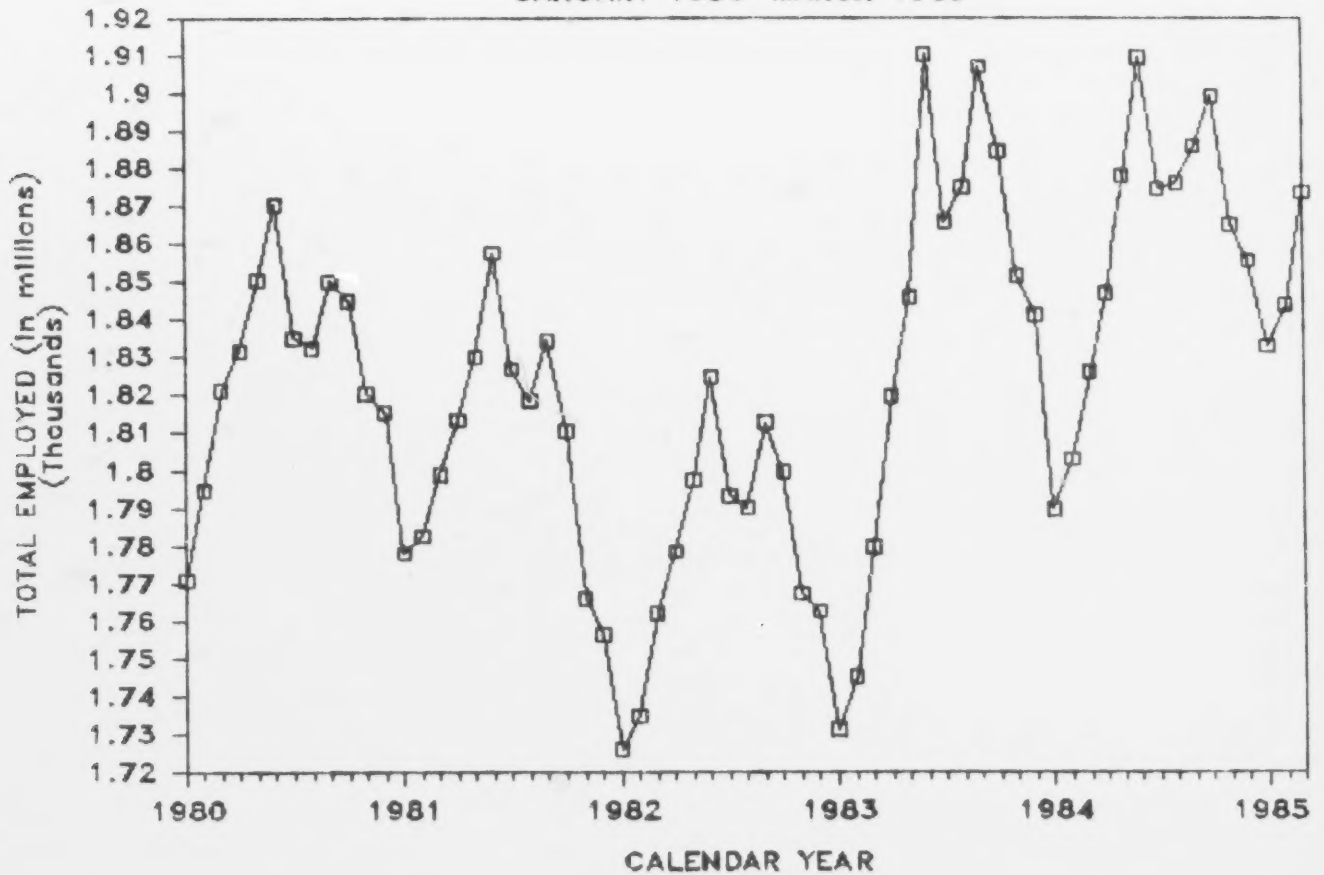
CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	<u>INDEXES</u>			<u>PERCENT CHANGE</u>			
	<u>March</u> <u>1984</u>	<u>Feb</u> <u>1985</u>	<u>March</u> <u>1985</u>	<u>Year</u> <u>Ending</u> <u>Feb</u> <u>1985</u>	<u>March</u> <u>1985</u>	<u>2 Months</u> <u>Ending</u> <u>Feb</u> <u>1985</u>	<u>March</u> <u>1985</u>
U.S. City Average	307.3	317.4	318.8	+3.5	+3.7	+0.6	+0.9
Seattle-Everett	310.2	N/A	321.4	--	+3.6	--	+0.6

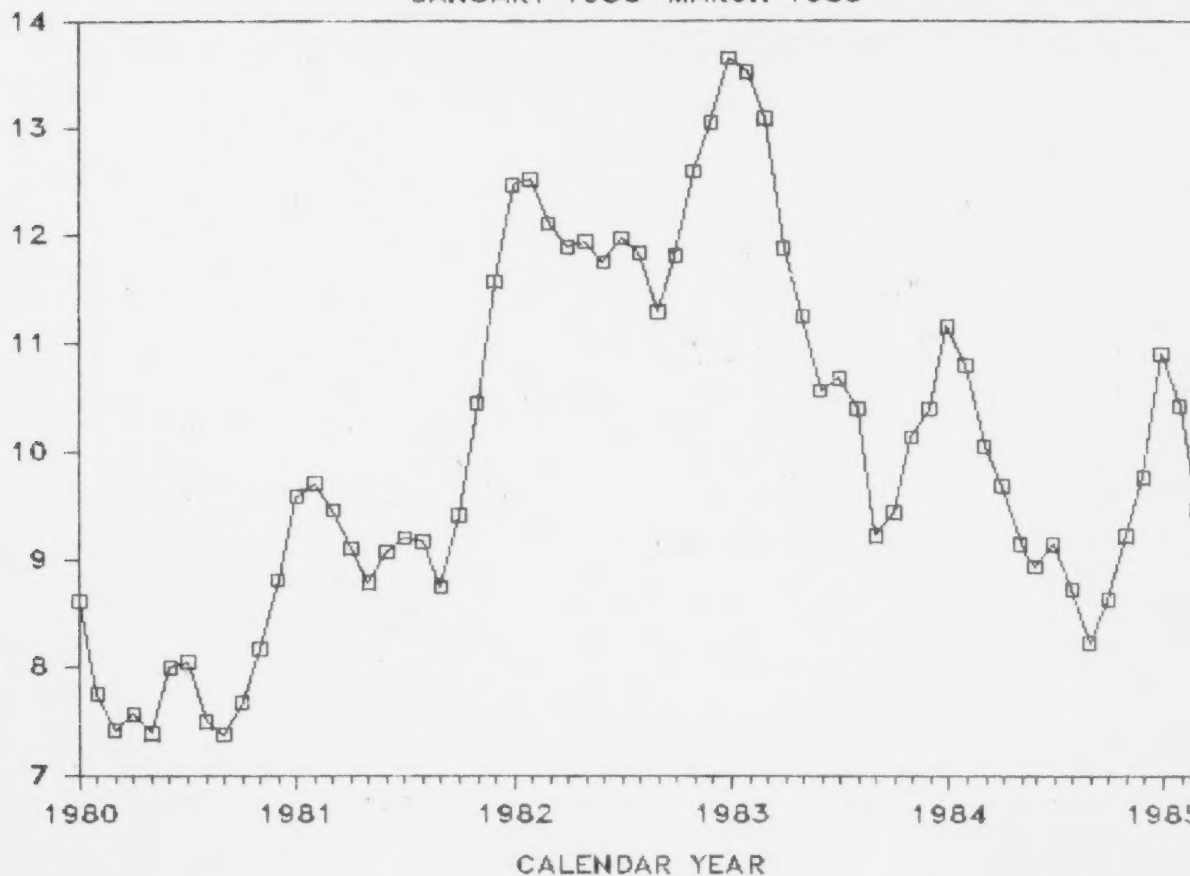
STATE TOTAL EMPLOYMENT

JANUARY 1980—MARCH 1985



STATE UNEMPLOYMENT RATE

JANUARY 1980-MARCH 1985



NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED					Numerical Change	
	Mar. 1985 (Prel.)	Feb. 1985 (Rev.)	Mar. 1984	Feb. 1984	Feb. 85 to Mar. 85	Mar. 84 to Mar. 85
TOTAL NONAG. WAGE AND SALARY.	1,659.6	1,641.9	1,612.6	1,591.7	+17.7	+47.0
TOTAL MANUFACTURING.....	285.6	283.5	279.8	276.8	+2.1	+5.8
Durable Goods.....	199.6	198.5	196.0	193.3	+1.1	+3.6
Lumber & Wood Products....	36.2	36.2	40.9	40.3	0.0	-4.7
Furniture & Fixtures.....	3.3	3.3	3.3	3.3	0.0	0.0
Stone Clay & Glass Prod...	6.3	6.1	6.1	5.8	+0.2	+0.2
Primary Metal Industries..	12.7	12.8	13.6	13.4	-0.1	-0.9
Aluminum Prod. & Proc.....	8.4	8.4	9.0	8.9	0.0	-0.6
Fabricated Metal Prod.....	9.5	9.4	9.5	9.2	+0.1	0.0
Machinery.....	28.0	27.9	27.9	27.5	+0.1	+0.1
Machinery exc. Elect.....	16.1	16.0	16.9	16.7	+0.1	-0.8
Electrical & Electronic..	11.9	11.9	11.0	10.8	0.0	+0.9
Transportation Equipment..	88.6	87.8	80.4	79.7	+0.8	+8.2
Aerospace.....	74.3	73.7	63.9	63.4	+0.6	+10.4
Other Transp. Equip.....	14.3	14.1	16.5	16.3	+0.2	-2.2
Instruments & Rel. Prod...	10.4	10.4	9.9	9.8	0.0	+0.5
Misc. Manufacturing Ind...	4.6	4.6	4.4	4.3	0.0	+0.2
Nondurable Goods.....	86.0	85.0	83.8	83.5	+1.0	+2.2
Food & Kindred Products...	28.9	28.0	28.4	28.4	+0.9	+0.5
Canned & Preserved Foods.	9.7	9.0	9.0	9.1	+0.7	+0.7
Apparel & Other Text. Prod.	6.3	6.2	6.1	6.1	+0.1	+0.2
Paper & Allied Products...	15.7	15.8	15.9	15.7	-0.1	-0.2
Printing & Publishing.....	17.0	17.0	16.2	16.1	0.0	+0.8
Chemicals & Allied Prod...	11.0	10.9	10.3	10.2	+0.1	+0.7
Other Nondurable Goods 2/	7.1	7.1	3/ 6.9	7.0	0.0	+0.2
MINING & QUARRYING.....	2.6	2.5	2.5	2.5	+0.1	+0.1
CONSTRUCTION.....	74.6	71.3	72.3	68.4	+3.3	+2.3
TRANS. & PUBLIC UTILITIES....	3/88.7	88.3	88.0	86.9	+0.4	+0.7
WHOLESALE & RETAIL TRADE....	402.5	398.8	391.1	385.7	+3.7	+11.4
Wholesale Trade.....	102.2	100.9	100.1	98.9	+1.3	+2.1
Retail Trade.....	300.3	297.9	291.0	286.8	+2.4	+9.3
FIN. INS. & REAL ESTATE.....	95.1	94.5	93.3	92.6	+0.6	+1.8
SERVICES.....	359.7	354.6	344.0	339.1	+5.1	+15.7
GOVERNMENT.....	350.8	348.4	341.6	339.7	+2.4	+9.2
Federal.....	69.1	68.9	67.0	67.1	+0.2	+2.1
State & Local.....	281.7	279.5	274.6	272.6	+2.2	+7.1
Education.....	156.8	156.0	154.1	153.0	+0.8	+2.7
(WORKERS IN LABOR-MANAGEMENT DISPUTES).....	0.7	0.0	0.2	0.0	+0.7	+0.5

- 1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.
- 2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.
- 3/ Excludes workers involved in labor-management disputes.

(Not Seasonally Adjusted)

	March 1985 Preliminary 1/				February 1985 Revised 1/			
	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate
Washington State Total	2,083,900	1,888,700	195,200	9.4	2,075,200	1,853,800	221,400	10.7
Bellingham MSA	51,000	45,500	5,500	10.8	50,900	44,500	6,400	12.6
Bremerton MSA	65,700	61,300	4,400	6.7	65,500	60,700	4,800	7.3
Olympia MSA	61,500	55,900	5,600	9.1	60,800	54,600	6,200	10.2
Seattle PMSA	943,500	874,000	69,500	7.4	938,700	862,300	76,400	8.1
King County	740,900	687,500	53,400	7.2	736,200	678,300	57,900	7.9
Snohomish County	202,600	186,500	16,100	7.9	202,600	184,000	18,600	9.2
Spokane MSA	160,900	146,000	14,900	9.3	161,400	144,800	16,600	10.3
Tacoma PMSA	196,100	177,800	18,300	9.3	195,900	175,600	20,300	10.4
Tri-Cities MSA 2/	70,900	63,200	7,700	10.9	70,700	61,100	9,600	13.6
Vancouver PMSA	93,800	85,100	8,700	9.3	93,300	83,700	9,600	10.3
Yakima MSA	79,100	66,500	12,600	15.9	78,900	63,800	15,100	19.1
Adams	6,860	6,080	780	11.4	6,660	5,550	1,110	16.7
Asotin	8,480	7,640	840	9.9	8,560	7,570	990	11.6
Clallam	19,050	16,460	2,590	13.6	19,230	16,120	3,110	16.2
Columbia	2,190	1,840	350	16.0	1,810	1,380	430	23.8
Cowlitz	32,960	28,650	4,310	13.1	33,390	28,540	4,850	14.5
Ferry	2,690	2,130	560	20.8	2,620	2,080	540	20.6
Garfield	1,070	970	100	9.3	1,020	900	120	11.8
Grant	22,250	19,080	3,170	14.2	21,870	18,130	3,740	17.1
Grays Harbor	29,240	25,240	4,000	13.7	29,710	24,710	5,000	16.8
Island	15,950	14,580	1,370	8.6	15,670	14,060	1,610	10.3
Jefferson	6,440	5,660	780	12.1	6,440	5,550	890	13.8
Kittitas	11,110	9,510	1,600	14.4	10,830	9,090	1,740	16.1
Klickitat	6,780	5,380	1,400	20.6	6,910	5,310	1,600	23.2
Lewis	23,730	20,150	3,580	15.1	24,100	19,730	4,370	18.1
Lincoln	4,070	3,760	310	7.6	3,820	3,510	310	8.1
Mason	11,070	9,820	1,250	11.3	11,020	9,410	1,610	14.6
Okanogan	14,500	11,390	3,110	21.4	14,470	11,100	3,370	23.3
Pacific	6,740	5,490	1,250	18.5	7,050	5,390	1,660	23.5
Pend Oreille	4,110	3,430	680	16.5	4,080	3,420	660	16.2
San Juan	3,800	3,450	350	9.2	3,720	3,290	430	11.6
Skagit	33,150	28,610	4,540	13.7	32,900	27,270	5,630	17.1
Skamania	2,810	2,130	680	24.2	2,920	1,960	960	32.9
Stevens	11,530	9,420	2,110	18.3	11,450	9,250	2,200	19.2
Wahkiakum	1,170	1,000	170	14.5	1,100	920	180	16.4
Walla Walla	24,990	22,500	2,490	10.0	24,840	21,790	3,050	12.3
Wenatchee Labor Area 3/	38,160	33,280	4,880	12.8	37,020	31,560	5,460	14.7
Whitman	16,480	15,810	670	4.1	15,830	15,170	660	4.2

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.

2/ Encompasses Benton and Franklin counties.

3/ Encompasses Chelan and Douglas counties.

Note: Detail may not add due to rounding.

Labor Market and Economic Analysis Branch

(Not Seasonally Adjusted)

	March 1985 Preliminary 1/				February 1985 Revised 1/				March 1984 Revised			
	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate
Washington State Total	2,069,500	1,873,500	196,000	9.5	2,058,000	1,843,700	214,300	10.4	2,030,000	1,826,100	203,900	10.0
Bellingham MSA	50,800	45,200	5,600	11.0	50,400	44,200	6,200	12.3	52,000	46,400	5,600	10.8
Bremerton MSA	65,200	60,800	4,400	6.7	64,900	60,300	4,600	7.1	63,400	58,700	4,700	7.4
Olympia MSA	61,000	55,400	5,600	9.2	60,300	54,300	6,000	10.0	58,800	53,000	5,800	9.9
Seattle PMSA	936,700	866,900	69,800	7.5	931,600	857,600	74,000	7.9	896,200	823,300	72,900	8.1
Spokane MSA	159,900	144,900	15,000	9.4	160,100	144,000	16,100	10.1	156,100	142,600	13,500	8.6
Tacoma PMSA	194,700	176,300	18,400	9.5	194,200	174,600	19,600	10.1	192,300	172,000	20,300	10.6
Tri-Cities MSA 2/	70,400	62,700	7,700	10.9	70,100	60,800	9,300	13.3	73,300	63,300	10,000	13.6
Vancouver PMSA	93,100	84,400	8,700	9.3	92,500	83,200	9,300	10.1	92,000	82,700	9,300	10.1
Yakima MSA	78,600	66,000	12,600	16.0	78,000	63,400	14,600	18.7	84,200	70,300	13,900	16.6
Adams	6,810	6,030	780	11.5	6,590	5,520	1,070	16.2	7,360	6,400	960	13.0
Asotin	8,420	7,580	840	10.0	8,490	7,530	960	11.3	8,160	7,390	770	9.4
Clallam	18,920	16,320	2,600	13.7	19,040	16,030	3,010	15.8	18,720	16,070	2,650	14.2
Columbia	2,170	1,820	350	16.1	1,790	1,370	420	23.5	2,020	1,750	270	13.2
Cowlitz	32,740	28,410	4,330	13.2	33,090	28,390	4,700	14.2	32,840	28,850	3,990	12.1
Ferry	2,670	2,110	560	21.0	2,600	2,070	530	20.4	2,600	2,070	530	20.4
Garfield	1,060	960	100	9.4	1,020	900	120	11.8	1,180	1,060	120	10.2
Grant	22,120	18,930	3,190	14.4	21,660	18,040	3,620	16.7	22,200	19,200	3,000	13.5
Grays Harbor	29,060	25,040	4,020	13.8	29,410	24,570	4,840	16.5	29,140	25,240	3,900	13.4
Island	15,850	14,470	1,380	8.7	15,540	13,980	1,560	10.0	15,180	13,770	1,410	9.3
Jefferson	6,400	5,620	780	12.2	6,380	5,520	860	13.5	6,330	5,650	680	10.7
Kittitas	11,040	9,430	1,610	14.6	10,730	9,040	1,690	15.8	11,210	9,390	1,820	16.2
Klickitat	6,750	5,340	1,410	20.9	6,830	5,280	1,550	22.7	6,870	5,590	1,280	18.6
Lewis	23,590	19,990	3,600	15.3	23,850	19,620	4,230	17.7	24,130	20,870	3,260	13.5
Lincoln	4,050	3,730	320	7.9	3,790	3,490	300	7.9	4,440	4,060	380	8.6
Mason	10,990	9,740	1,250	11.4	10,920	9,360	1,560	14.3	10,970	9,790	1,180	10.8
Okanogan	14,430	11,300	3,130	21.7	14,310	11,040	3,270	22.9	14,820	11,770	3,050	20.6
Pacific	6,700	5,440	1,260	18.8	6,960	5,360	1,600	23.0	6,820	5,820	1,000	14.7
Pend Oreille	4,100	3,410	690	16.8	4,040	3,400	640	15.8	4,120	3,500	620	15.0
San Juan	3,780	3,420	360	9.5	3,690	3,280	410	11.1	3,510	3,170	340	9.7
Skagit	32,940	28,380	4,560	13.8	32,570	27,120	5,450	16.7	33,850	28,980	4,870	14.4
Skamania	2,810	2,120	690	24.6	2,880	1,950	930	32.3	2,630	2,040	590	22.4
Stevens	11,460	9,340	2,120	18.5	11,330	9,200	2,130	18.8	11,980	9,730	2,250	18.8
Wahkiakum	1,160	990	170	14.7	1,100	920	180	16.4	1,270	1,020	250	19.7
Walla Walla	24,820	22,320	2,500	10.1	24,620	21,670	2,950	12.0	25,030	22,210	2,820	11.3
Wenatchee Labor Area 3/	37,930	33,020	4,910	12.9	36,670	31,390	5,280	14.4	37,590	32,230	5,360	14.3
Whitman	16,350	15,680	670	4.1	15,730	15,090	640	4.1	16,720	16,160	560	3.3

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

2/ The Tri-Cities MSA encompasses Benton and Franklin Counties.

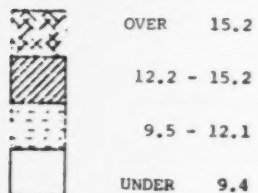
3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

NOTE: Detail may not add due to rounding.
Labor Market and Economic Analysis Branch

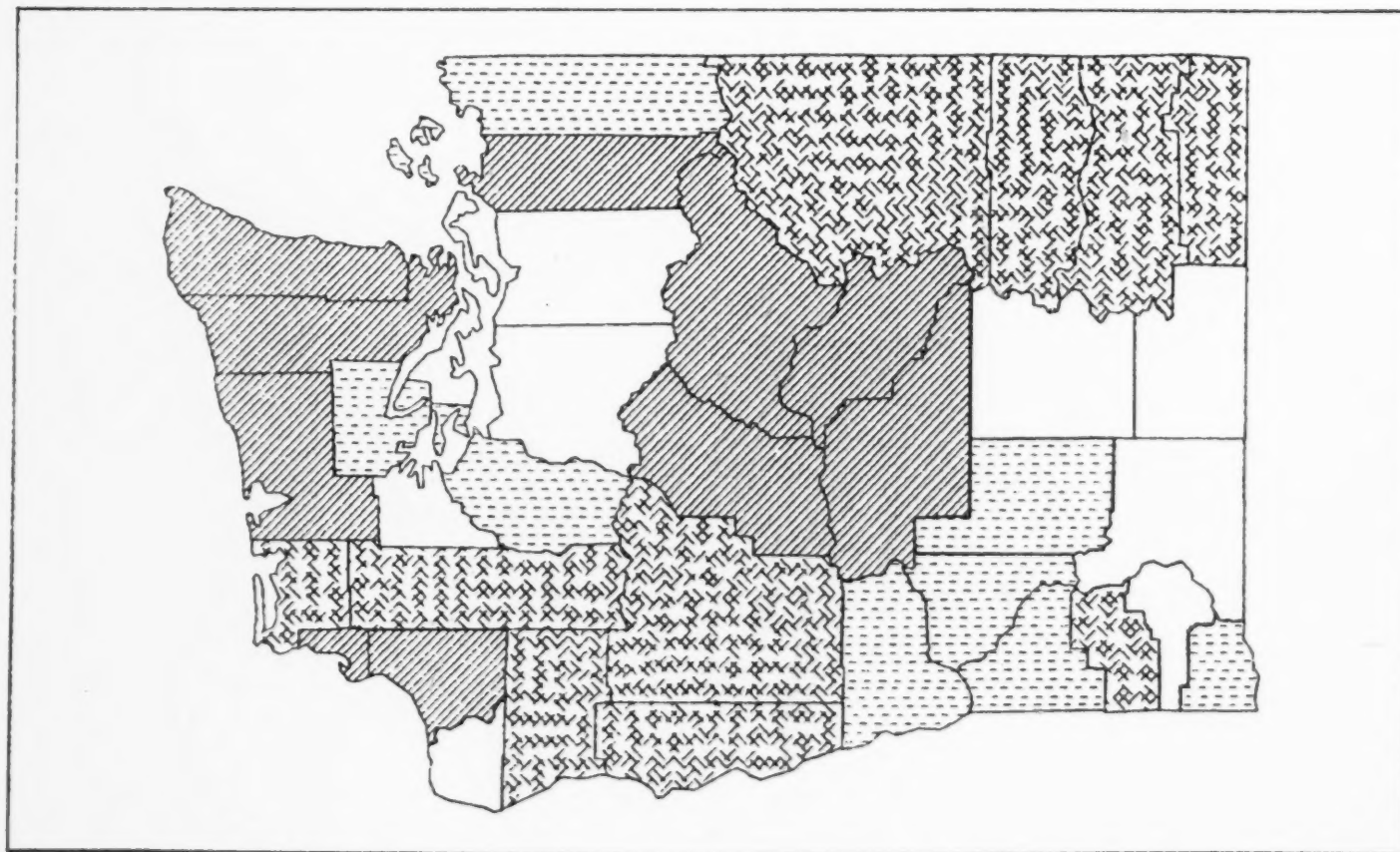
ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF
NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

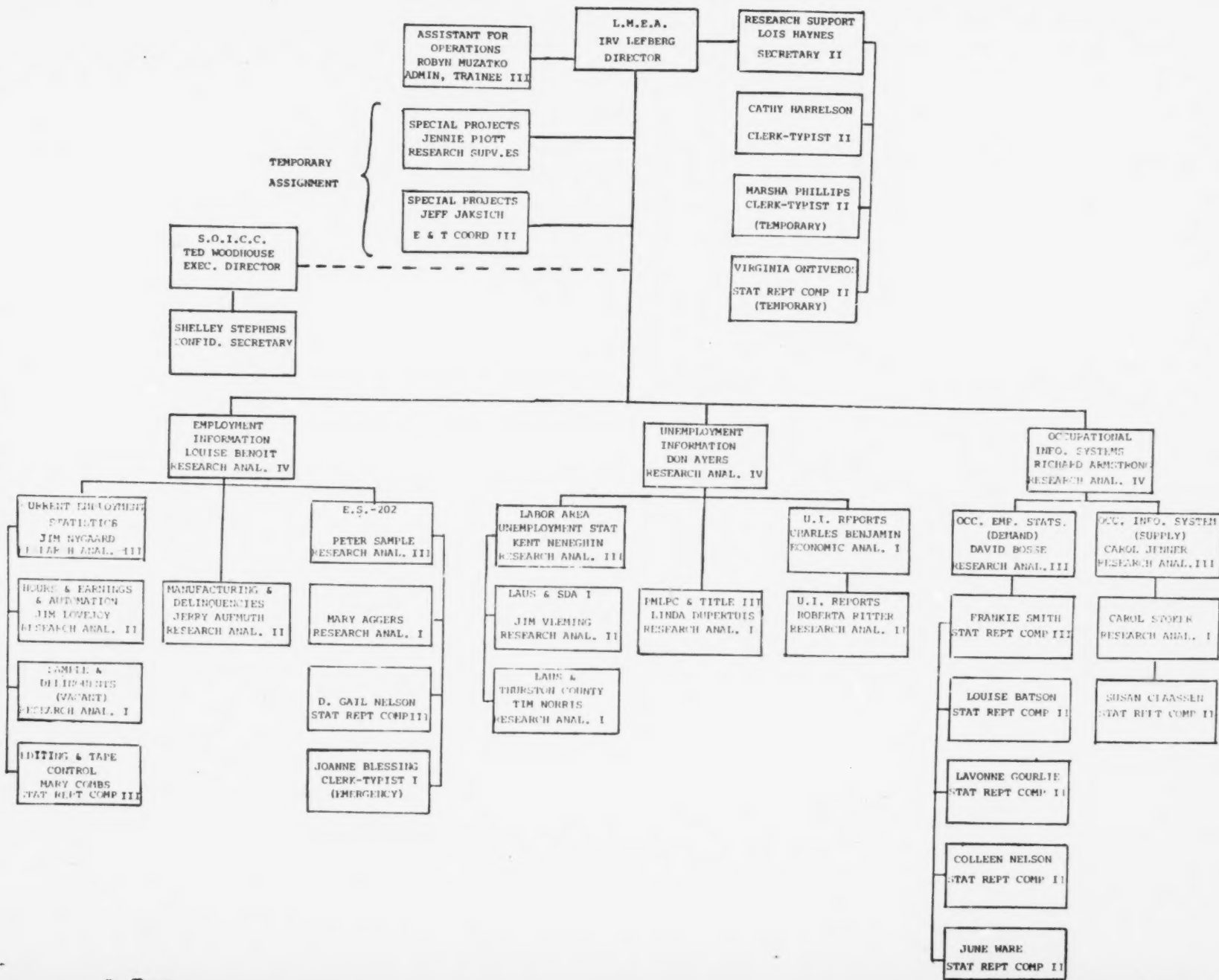
	MAR. 1985 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		MAR	FEB	MAR	MAR	FEB	MAR	MAR	FEB	MAR
		1985	1985	1984	1985	1985	1984	1985	1985	1984
		-----	-----	-----	-----	-----	-----	-----	-----	-----
TOTAL MANUFACTURING INDUSTRIES *	176,900	\$454.73	\$445.43	\$453.15	39.1	38.3	39.2	\$11.63	\$11.63	\$11.56
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products.....	32,600	437.01	400.49	440.61	38.2	35.1	39.2	11.44	11.41	11.24
Primary metal industries.....	9,800	550.64	540.76	546.87	39.7	39.5	40.3	13.87	13.69	13.57
Fabricated metal products.....	7,200	457.86	450.41	480.38	39.1	38.3	41.7	11.71	11.76	11.52
Machinery.....	16,800	371.87	354.56	391.78	39.9	37.8	39.1	9.32	9.38	10.02
Food & kindred products.....	22,000	354.31	358.53	351.62	37.1	37.0	36.4	9.55	9.69	9.66
Chemicals & allied products...	5,300	567.01	549.61	520.83	42.6	41.7	41.7	13.31	13.18	12.49
SELECTED NONMANUFACTURING INDUSTRIES										
Construction.....	53,400	600.78	571.90	608.40	36.7	35.0	36.0	16.37	16.34	16.90
Wholesale and retail trade....	247,300	316.69	312.59	307.68	34.2	34.2	33.7	9.26	9.14	9.13

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.



MARCH
UNEMPLOYMENT
RATES







Washington State
Employment Security Department

Isiah Turner, Commissioner

Prepared by the
Labor Market and
Economic Analysis Branch
Olympia, WA 98504
(206) 753-5142

In cooperation with
the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 9, Number 5

May 1985

HIGHLIGHTS

Seasonal Expansion Continues

The seasonal expansion continued to pick up momentum in Washington State with total employment advancing by 31,000 to reach a total of 1,900,400 in April. Major job gains over the month occurred in agriculture, construction, and the trade and service industries. Farm employment was sharply higher in Eastern Washington where the asparagus harvest was underway. Nearly 6,200 workers were cutting asparagus in April, while other farm workers east of the Cascades were busy with spring tillage, potato planting and general orchard work. West of the Cascades, daffodil and tulip picking and rhubarb pulling provided some early farm jobs. Nonagricultural wage and salary employment rose 15,400 between March and April.

	<u>Apr. 1985*</u> (Prel.)	<u>Mar. 1985</u> (Rev.)	<u>Apr. 1984</u>
Civilian			
Labor Force	2,084,700	2,065,000	2,044,700
Total Employment	1,900,400	1,869,400	1,846,800
Total Unemployment	184,300	195,600	197,900
State Unemployment			
Rate	8.8	9.5	9.7
National Civilian			
Unemployment Rate	7.1	7.5	7.6

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more nearly comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

In the nonfarm industries, manufacturing rose slightly. Further growth in aerospace and a seasonal expansion in food processing were partially offset by losses in primary metals. Sizable seasonal gains were reported in non-manufacturing employment. Construction payrolls rose in response to improving weather. Lower mortgage rates also gave a boost to payrolls in construction. Growth in the tourist business contributed strongly to job gains in both the trade and service industries. Wholesale trade rose as vegetable packers added workers to handle the asparagus crop. Seasonal gains were also noted at building material stores and in agricultural services.

Unemployment Falls To 8.8 Percent

Reflecting improving employment opportunities, total unemployment continued its springtime decline. The jobless rate peaked this winter at 10.9 percent in January, fell to 10.4 percent in February, 9.5 percent in March and to 8.8 percent in April. The number of unemployed workers in the state at mid-April totaled 184,300. Although still excessive, the number was down 11,300 from the proceeding month and nearly 40,000 lower than in January 1985.

Substantial Improvement From Year Earlier

While much of the job growth in recent months has been seasonal, the year-to-year comparison indicates that a substantial nonseasonal expansion also has been underway. Compared with April 1984, total employment in the state has advanced 53,600, while unemployment has dropped 13,600. The jobless rate in April 1984 was 9.7 percent, nearly a point higher than the April 1985 rate. Nationally, the unemployment rate fell from 7.5 percent in March to 7.1 percent in April. The April 1984 national rate was 7.6 percent.

Eastern Washington Benefits From Seasonal Jobs in Agriculture

The seasonal expansion between March and April benefited nearly all areas of the state. The largest relative reductions in unemployment, however, occurred in Eastern Washington, which benefited from the asparagus harvest and related processing activities. Typical of these areas, Yakima County employment rose nearly 3,000 from March to April while unemployment dropped about 2,000. Yakima's jobless rate fell from 16.1 to 13.5 percent over the month. In Walla Walla County, employment rose 1,060 in April and unemployment fell 580; the area's jobless rate fell from 10.0 to 7.6 percent. The over-the-month decline in the jobless rate in Columbia County was even more dramatic, dropping from 16.1 to 7.7 percent. Numerically the reduction was minor, from 350 to 210. Because of the small size of the area's labor force, though, the drop had a substantial effect on the unemployment rate. Employment in Columbia County jumped from 1,820 in March to 2,500 in April mainly because of the hiring of workers to process the asparagus crop.

Western Part of the State Not Helped Much by Seasonal Expansion

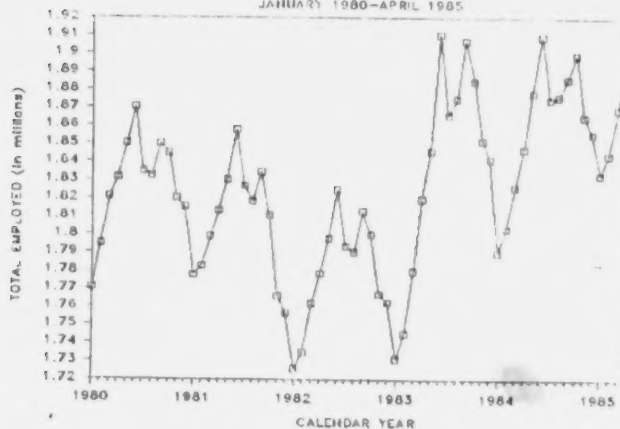
Western Washington metropolitan areas benefited little from the seasonal upturn in agriculture in April. Reductions in unemployment there were more modest. In the Seattle Metropolitan Area the jobless rate dropped four-tenths of a point to 7.1 percent in April. Employment in the area rose nearly 10,000, but unemployment was down only 3,000. The jobless rate in the Tacoma Metropolitan Area was unchanged over the month at 9.4 percent. Employment moved up 1,000, but unemployment was unchanged, partially because of layoffs resulting from the closure of the Asarco Smelter.

Lumber Areas Still in Recession

Unemployment moderated in most counties highly dependent on the lumber industry between March and April, but their jobless rates remained well above the statewide average. The combined rate for the lumber areas fell from 15.0 to 14.1 percent over the month. The 14.1 percent level, however, is higher than any statewide rate recorded since World War II. Obviously, the recession has not ended in the lumber industry or the areas dependent upon it.

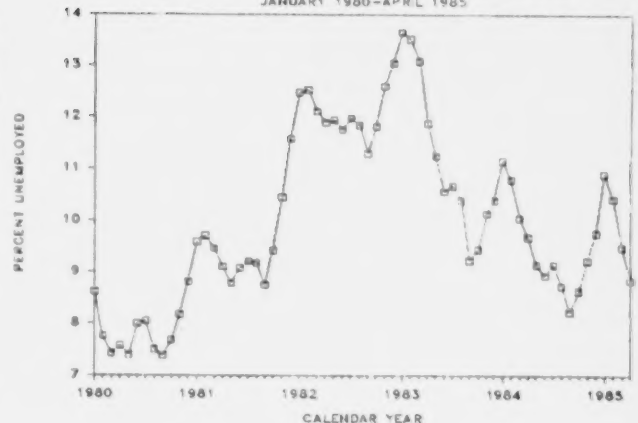
STATE TOTAL EMPLOYMENT

JANUARY 1980-APRIL 1985



STATE UNEMPLOYMENT RATE

JANUARY 1980-APRIL 1985



MANUFACTURING INDUSTRIES

Manufacturing employment moved up 900 in April. Food processors added 600 seasonal workers, aerospace hired 500, while lumber edged up 200. Limiting this overall expansion were losses of 500 in primary metals and 200 in other transportation equipment. Over the year, manufacturing employment expanded 4,800. Aerospace payrolls alone rose 10,600 over the year, but this gain was partially offset by losses of 4,700 in lumber, 1,300 in primary metals, and 2,100 in other transportation equipment--mainly shipbuilding.

Boeing Still Stars

Developments in the aerospace industry continue highly favorable. Boeing is negotiating the sale of up to 32 aircraft for a price of over \$1 billion to a leasing firm. They also reported the sale of eight jetliners to China for approximately \$310 million. Boeing's military business has also been strong. They were selected by the Navy to design and manufacture wings for a bomber at a cost of around \$1.2 billion. In addition, Boeing has \$364 million in "Star Wars" work. Star Wars is the space-based anti-missile system. The only adverse development in aerospace is the possibility direct loans from the Export-Import Bank will be eliminated in favor of an interest subsidy program. The low interest direct loans are used to finance purchases by foreign airlines who might otherwise buy aircraft from Airbus Industries, Boeing's European competitor. Whether the interest subsidy program would be just as effective is now being debated in the House of Representatives. The U.S. Senate approved elimination of the direct loan program at the urging of the Federal Administration.

Shipyards Struggle

Employment in other transportation equipment, mainly shipbuilding, fell another 200 in April and was down 2,100 over the year. The basic problem is an oversupply of ships which has reduced demand for new ships to an extremely low level. The Shipbuilding Council of America reported that there are 24 major shipyards in the U.S. today. Since 1981, 25 other major yards have closed. In addition to the general downturn in demand for new vessels, Puget Sound shipyards are hampered in competing for contracts by wage rates that are considerably higher than those of Gulf Coast and East Coast shipyards.

In April, the Navy announced plans to shift some work from government to private shipyards. This may help local shipyards, but only if they can become competitive on the national level. It may, of course, result in lower employment at the Navy's shipyard in Bremerton.

Tacoma Boatbuilding Company continues to fight for survival with overdue bills totaling more than \$12 million. The firm is Pierce County's largest private employer with about 1,500 workers. In May, Tacoma Boat named a new

president and announced a recovery plan involving the raising of \$15 million in additional capital through the sale of new stock. The firm will also offer stock to some of its creditors in place of cash payments.

Smelter Closes, Aluminum Down

Primary metals employment dropped 500 in April because of layoffs associated with the closure of the Asarco Smelter in Tacoma and further cutbacks at aluminum plants. The May estimates will reflect additional layoffs resulting from the closure of the Tacoma smelter. Further retrenchment in aluminum employment is also anticipated. The Aluminum Company of America announced a 10 percent cutback in production at its Vancouver smelter because of high electricity costs and low world aluminum prices. The cutback will take effect June 1, 1985 and will affect 30 employees, but some of these workers may be absorbed in other jobs at the plant. The firm said that 130 Vancouver workers have been laid off since October 1984.

Lumber Industry Depressed But Hope Remains

Lumber employment rose 200 between March and April, well below seasonal expectations. Over the year, employment in the industry was down 4,700 or 11 percent. Despite a relatively high level of housing starts and declining interest rates, lumber employment in the Northwest remains depressed because of competition from Canada and from producers in the southern United States.

Changes in lumber employment were formerly related to variations in national housing starts. The homebuilding industry provides the largest market for lumber products. National housing starts in April, however, were estimated at 1.91 million units on a seasonally adjusted annual rate basis. The April estimate was higher than that of any annual level since 1978. Lumber employment in the state, though, was nearly one-third lower than in the spring of 1978 and 1979. Apparently it will take a decline in the U.S. dollar relative to the Canadian dollar to improve the competitive position of Washington producers. This would boost the price of Canadian lumber in U.S. dollars. The exchange rate between the U.S. and Canada is now probably a more important factor in determining the level of lumber employment in Washington State than is the level of national housing starts. The Canadian share of softwood lumber sales has grown from 18 percent in 1979 to 33 percent today.

Pulp Workers OK Concessions

Employment in the pulp and paper industry has remained fairly stable over the year, but pulp mills are facing intense international competition because of the strength of the dollar. Reflecting this competition, union workers at ITT Rayonier's Hoquiam pulp mill agreed to a two-tier wage plan. Under the plan, starting pay and the number of paid holidays is being reduced for new employees.

Starting pay for entry level jobs will be \$8.53 an hour, down from \$11.04 an hour. New employees will receive 10 paid holidays versus 14 for existing workers.

NONMANUFACTURING

Retail Sales Up

Trade led the March-April advance in the nonmanufacturing industries with a gain of 7,000. Retail outlets added 5,100 workers with seasonal growth noted at restaurants and gasoline stations due to more tourist business. Building material outlets (hardware stores, lumber yards, etc.) also added seasonal workers. Nationally, retail sales advanced 0.9 percent from March to April, according to the U.S. Department of Commerce. An important factor behind the gain was a 2.9 percent increase in disposable personal income which largely resulted from the receipt of income tax refunds. Many refunds had been delayed by computer problems at the Internal Revenue Service.

Grain Exports Down

Wholesale trade employment moved up 1,400 in April. Warehouses which box and ship asparagus hired workers. Most other wholesalers also added employees. One exception was grain dealers. Wheat shipments have dropped sharply in recent months because of the strength of the U.S. dollar which makes our wheat more expensive relative to wheat produced in other nations. Another factor has been favorable world-wide crop conditions over the past few years, which has enabled some nations which were formerly grain importers to become grain exporters.

Service Payrolls Grow

Services employment rose 4,400 in April. Agricultural services was up 600 as usual for this time of the year. Hotels-motels added staff to handle a seasonal pickup in tourist trade. In amusements, additional employment was reported by golf courses, race tracks, in professional sports and at membership sports clubs. Business service also added workers as did social service organizations (day care, charities, etc.). Health services expanded with most of the growth at offices of physicians, dentists, etc.

Strong Growth in Trade and Services Over the Year

Over the year, trade employment rose 14,200, while the services group added 16,300. Together the trade and services industries accounted for 61 percent of the growth in nonfarm payrolls over the year. Eating and drinking places accounted for 45 percent of the expansion in trade between April 1984 and 1985. Growth in the services group was scattered throughout the industry, but nearly one-half occurred in health, business and social services.

Construction Expands -- Big Rise in Contracts for Multi-Family Housing

Construction payrolls rose 900 in April and were up 3,200 over the year. Most of the increase in April occurred in heavy construction, including street and highway construction. Employment in this outdoor industry is strongly

influenced by weather conditions; work on many of these projects comes to a near standstill in the winter, but expands rapidly with the return of more moderate weather.

Declining interest rates should help the construction industry expand this summer. F. W. Dodge construction tabulations for Washington State show the value of construction contracts for the first four months of this year up 2 percent from the comparable period in 1984. The cumulative number of permits for single family homes was down 10 percent from 1984, but the number of multi-family dwelling units was up 47 percent year-to-year.

Government employment was unchanged between March and April, federal civilian employment rose 300 with parks and forests reporting some additions, but this gain was offset by a drop in education payrolls.

Government Jobs Go Too

Government workers are also facing uncertain times. Budget cutbacks will result in the loss of 94 federal jobs over the next several months at the Mount Baker-Snoqualmie National Forest. The Forest Service also announced the closure of 10 campgrounds in May. A number of teachers and other school district employees in Seattle and Tacoma have been notified their jobs will be eliminated because of budget limitations. On the state level, 100 state grain inspectors were laid off because of declining grain shipments.

THE NATIONAL CONTEXT

Outlook Unclear

The Index of Leading Economic Indicators declined 0.2 percent in April for its first loss of the year. Negative factors in the Index were contracts and orders for plant and equipment, money supply, vendor performance, average workweek, building permits and net-business formation. Positive factors were new orders for consumer goods and materials, change in sensitive materials' prices, stock prices, and average initial claims for state unemployment insurance.

Leading Indicators Drop

While a one month decline in the Index is not particularly significant, the drop following a slowdown in the Gross National Product from 4.3 percent in the fourth quarter 1984 to 1.3 percent in the first quarter 1985 may well be signaling a change in the direction of the economy. The Federal Reserve Board, however, lowered its discount rate (lending rate) to banks to 7.5 percent in May in an effort to stimulate economic activity. The 7.5 percent rate is the lowest since August 1978. Other interest rates are expected to decline also. Several commercial banks lowered their prime rates following the reduction in the discount rate.

Foreign Competition Hurts State's Manufacturing Sector

Major concern over the economy centers on industrial production, mainly in those industries which have considerable foreign competition. The effects of foreign competition have hit Washington State industries hard, especially lumber, aluminum, other metals, and pulp. National industrial production declined 0.2 percent in April, following average monthly growth of less than 0.2 percent in the previous five months. The one area doing particularly well nationally and in Washington State is defense and space production, which is insulated from import competition.

Positive economic indicators in April were housing starts, personal income and consumer confidence. Increases in housing starts and personal income were mentioned earlier. The Consumer Confidence Index, as measured by the Conference Board, rose nearly five points to total 92.6 in April. The increase, however, was a partial recovery from an eight point drop in March.

Wages Down In Primary Metals

Average hourly earnings of manufacturing production workers remained unchanged at \$11.63 per hour between March and April and were up only 13 cents over the year. Gains reported in most industries over the month were offset by a sharp drop in primary metals. Between March and April, average hourly pay in primary metals fell from \$13.76 to \$13.02, largely because of wage reductions in aluminum and foundries.

Average weekly pay slipped from \$454.73 in March to \$446.59 in April. Besides the drop in hourly pay in primary metals, average hours worked also declined in a number of industries to contribute to the drop in average weekly pay.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	<u>INDEXES</u>			<u>PERCENT CHANGE</u>			
	<u>April</u> <u>1984</u>	<u>March</u> <u>1985</u>	<u>April</u> <u>1985</u>	<u>Year</u> <u>Ending</u> <u>March</u> <u>1985</u>	<u>Year</u> <u>Ending</u> <u>April</u> <u>1985</u>	<u>2 Months</u> <u>Ending</u> <u>March</u> <u>1985</u>	<u>2 Months</u> <u>Ending</u> <u>April</u> <u>1985</u>
U.S. City Average	308.8	318.8	320.1	+3.7	+3.7	+0.4	+0.4
Seattle-Everett	N/A	321.4	N/A	+3.6	N/A	+0.6	N/A

AREA WAGE SURVEY
REPORT AVAILABLE
FOR WENATCHEE LABOR AREA
(Chelan-Douglas Counties)

The Wage Analysis Unit of the Labor Market and Economic Analysis Branch recently completed an occupational wage survey for the Wenatchee Labor Area. The survey report, based upon data from 215 establishments, presents wage ranges and averages for clerical, managerial, professional, technical and general occupations. The report, titled "AREA WAGE SURVEY, WENATCHEE LABOR AREA, MARCH 1985" is available on request from Labor Market and Economic Analysis, P.O. Box 46502, Seattle, Washington 98146. Phone: (206) 764-6453.

(In Thousands)

NOT SEASONALLY ADJUSTED

	Apr. 1985 (Prel.)	Mar. 1985 (Rev.)	Apr. 1984 (Rev 4/)	Mar. 1984 (Rev 4/)	Numerical Change	
					Mar. 85 to Apr. 85	Apr. 84 to Apr. 85
TOTAL NONAG. WAGE AND SALARY.	1,670.4	1,655.0	1,621.1	1,607.8	+15.4	+49.3
TOTAL MANUFACTURING.....	286.7	285.8	281.9	279.8	+0.9	+4.8
Durable Goods.....	200.0	199.8	196.6	196.0	+0.2	+3.4
Lumber & Wood Products....	36.7	36.5	41.4	40.9	+0.2	-4.7
Furniture & Fixtures.....	3.3	3.3	3.4	3.3	0.0	-0.1
Stone Clay & Glass Prod...	6.4	6.3	6.2	6.1	+0.1	+0.2
Primary Metal Industries..	12.2	12.7	13.5	13.6	-0.5	-1.3
Aluminum Prod. & Proc.....	8.1	8.4	8.9	9.0	-0.3	-0.8
Fabricated Metal Prod.....	9.5	9.5	9.5	9.5	0.0	0.0
Machinery.....	28.0	28.0	28.0	27.9	0.0	0.0
Machinery exc. Elect.....	16.0	16.1	16.8	16.9	-0.1	-0.8
Electrical & Electronic..	12.0	11.9	11.2	11.0	+0.1	+0.8
Transportation Equipment..	88.8	88.5	80.3	80.4	+0.3	+8.5
Aerospace.....	74.8	74.3	64.2	63.9	+0.5	+10.6
Other Transp. Equip.....	14.0	14.2	16.1	16.5	-0.2	-2.1
Instruments & Rel. Prod...	10.5	10.4	9.9	9.9	+0.1	+0.6
Misc. Manufacturing Ind...	4.6	4.6	4.4	4.4	0.0	+0.2
Nondurable Goods.....	86.7	86.0	85.3	83.8	+0.7	+1.4
Food & Kindred Products...	29.3	28.8	29.3	28.4	+0.5	0.0
Canned & Preserved Foods.	10.3	9.7	10.0	9.0	+0.6	+0.3
Apparel & Other Text. Prod.	6.2	6.2	6.2	6.1	0.0	0.0
Paper & Allied Products...	15.9	15.8	16.0	15.9	+0.1	-0.1
Printing & Publishing.....	17.1	17.1	16.3	16.2	0.0	+0.8
Chemicals & Allied Prod...	11.0	11.0	10.5	10.3	0.0	+0.5
Other Nondurable Goods 2/.	7.2	7.1	7.0 3/	6.9 3/	+0.1	+0.2
MINING & QUARRYING.....	2.6	2.6	2.5	2.5	0.0	+0.1
CONSTRUCTION.....	76.4	74.7	73.2	72.3	+1.7	+3.2
TRANS. & PUBLIC UTILITIES...	89.7 3/	88.8 3/	88.6	88.0	+0.9	+1.1
WHOLESALE & RETAIL TRADE...	409.6	402.6	395.4	391.1	+7.0	+14.2
Wholesale Trade.....	103.7	102.3	100.8	100.1	+1.4	+2.9
Retail Trade.....	305.9	300.3	294.6	291.0	+5.6	+11.3
FIN. INS. & REAL ESTATE.....	95.6	95.1	93.9	93.3	+0.5	+1.7
SERVICES.....	364.1	359.7	347.8	344.0	+4.4	+16.3
GOVERNMENT.....	345.7	345.7	337.8	336.8	0.0	+7.9
Federal.....	69.4	69.1	67.8	67.0	+0.3	+1.6
State & Local.....	276.3	276.6	270.0	269.8	-0.3	+6.3
Education.....	151.2	151.8	148.2	149.3	-0.6	+3.0
(WORKERS IN LABOR-MANAGEMENT DISPUTES).....	0.7	0.7	0.2	0.2	0.0	+0.5

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

4/ Revised in May 1985 due to corrections involving Education. The 1983 and 1984 annual tables have been revised and are available.

(Not Seasonally Adjusted)

	April 1985 Preliminary 1/				March 1985 Revised 1/			
	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate
Washington State Total	2,100,900	1,917,200	183,700	8.7	2,079,900	1,885,100	194,800	9.4
Bellingham MSA	51,600	46,500	5,100	9.9	51,100	45,600	5,500	10.8
Bremerton MSA	66,000	61,700	4,300	6.5	65,800	61,400	4,400	6.7
Olympia MSA	61,900	56,700	5,200	8.4	61,400	55,900	5,500	9.0
Seattle PMSA	947,000	880,400	66,600	7.0	939,500	870,000	69,500	7.4
King County	743,700	692,600	51,100	6.9	737,900	684,400	53,500	7.3
Snohomish County	203,300	187,800	15,500	7.6	201,600	185,600	16,000	7.9
Spokane MSA	163,600	150,200	13,400	8.2	161,800	147,000	14,800	9.1
Tacoma PMSA	196,300	173,000	18,300	9.3	195,200	177,000	18,200	9.3
Tri-Cities MSA 2/	72,400	65,200	7,200	9.9	71,000	63,200	7,800	11.0
Vancouver PMSA	94,300	85,700	8,600	9.1	94,000	85,200	8,800	9.4
Yakima MSA	80,600	69,800	10,800	13.4	79,500	66,900	12,600	15.8
Adams	7,260	6,580	680	9.4	6,830	6,080	750	11.0
Asotin	8,220	7,480	740	9.0	8,170	7,340	830	10.2
Clallam	19,300	16,830	2,470	12.8	19,000	16,460	2,540	13.4
Columbia	2,730	2,520	210	7.7	2,190	1,840	350	16.0
Cowlitz	33,570	29,170	4,400	13.1	33,220	28,920	4,300	12.9
Ferry	2,750	2,220	530	19.3	2,690	2,130	560	20.8
Garfield	1,210	1,100	110	9.1	1,070	970	100	9.3
Grant	23,440	20,650	2,790	11.9	22,220	19,040	3,180	14.3
Grays Harbor	29,270	25,690	3,580	12.2	29,200	25,240	3,960	13.6
Island	16,380	15,040	1,340	8.2	15,960	14,590	1,370	8.6
Jefferson	6,550	5,920	630	9.6	6,430	5,660	770	12.0
Kittitas	11,100	9,560	1,540	13.9	11,200	9,610	1,590	14.2
Klickitat	7,040	5,670	1,370	19.5	6,940	5,540	1,400	20.2
Lewis	23,590	20,520	3,070	13.0	23,640	20,110	3,530	14.9
Lincoln	4,450	4,180	270	6.1	4,060	3,760	300	7.4
Mason	11,100	10,080	1,020	9.2	11,070	9,830	1,240	11.2
Okanogan	14,370	11,600	2,770	19.3	14,410	11,300	3,110	21.6
Pacific	6,770	5,630	1,140	16.8	6,660	5,440	1,220	18.3
Pend Oreille	4,320	3,520	800	18.5	4,150	3,430	720	17.3
San Juan	4,010	3,710	300	7.5	3,800	3,450	350	9.2
Skagit	33,240	28,860	4,380	13.2	33,000	28,540	4,460	13.5
Skamania	2,860	2,310	550	19.2	2,820	2,150	670	23.8
Stevens	11,970	9,760	2,210	18.5	11,530	9,420	2,110	18.3
Wahkiakum	1,270	1,100	170	13.4	1,180	1,020	160	13.6
Walla Walla	25,490	23,590	1,900	7.5	24,970	22,500	2,470	9.9
Wenatchee Labor Area 3/	37,830	33,090	4,740	12.5	37,710	32,820	4,890	13.0
Whitman	17,180	16,630	550	3.2	16,490	15,810	680	4.1

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.

2/ Encompasses Benton and Franklin counties.

3/ Encompasses Chelan and Douglas counties.

Note: Detail may not add due to rounding.

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: May 29, 1985
Benchmark: 1984

(Not Seasonally Adjusted)

	April 1985 Preliminary 1/				March 1985 Revised 1/				April 1984 Revised			
	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate
Washington State Total	2,084,700	1,900,400	184,300	8.8	2,065,000	1,869,400	195,600	9.5	2,044,700	1,846,800	197,900	9.7
Bellingham MSA	51,300	46,100	5,200	10.1	50,700	45,200	5,500	10.8	50,900	45,300	5,600	11.0
Bremerton MSA	65,500	61,200	4,300	6.6	65,300	60,900	4,400	6.7	64,300	59,500	4,800	7.5
Olympia MSA	61,400	56,200	5,200	8.5	61,000	55,400	5,600	9.2	59,100	53,200	5,900	10.0
Seattle PMSA	939,500	872,700	66,800	7.1	932,600	862,800	69,800	7.5	902,900	831,600	71,300	7.9
Spokane MSA	162,300	148,900	13,400	8.3	160,700	145,800	14,900	9.3	158,000	145,100	12,900	8.2
Tacoma PMSA	194,800	176,500	18,300	9.4	193,800	175,500	18,300	9.4	191,300	171,400	19,900	10.4
Tri-Cities MSA 2/	71,900	64,600	7,300	10.2	70,600	62,700	7,900	11.2	73,700	64,600	9,100	12.3
Vancouver PMSA	93,500	84,900	8,600	9.2	93,200	84,400	8,800	9.4	92,000	82,900	9,100	9.9
Yakima MSA	80,000	69,200	10,800	13.5	79,100	66,400	12,700	16.1	87,300	74,300	13,000	14.9
Adams	7,220	6,530	690	9.6	6,790	6,030	760	11.2	7,350	6,530	820	11.2
Asotin	8,150	7,410	740	9.1	8,120	7,280	840	10.3	8,520	7,720	800	9.4
Clallam	19,170	16,690	2,480	12.9	18,870	16,320	2,550	13.5	19,230	16,780	2,450	12.7
Columbia	2,710	2,500	210	7.7	2,170	1,820	350	16.1	2,260	2,020	240	10.6
Cowlitz	33,330	28,920	4,410	13.2	32,990	28,680	4,310	13.1	33,080	28,930	4,150	12.5
Ferry	2,730	2,200	530	19.4	2,670	2,110	560	21.0	2,600	2,060	540	20.8
Garfield	1,200	1,090	110	9.2	1,060	960	100	9.4	1,190	1,090	100	8.4
Grant	23,270	20,470	2,800	12.0	22,070	18,880	3,190	14.5	22,850	20,030	2,820	12.3
Grays Harbor	29,060	25,460	3,600	12.4	29,010	25,030	3,980	13.7	29,430	25,490	3,940	13.4
Island	16,250	14,910	1,340	8.2	15,830	14,460	1,370	8.7	15,260	13,910	1,350	8.8
Jefferson	6,510	5,870	640	9.8	6,400	5,620	780	12.2	6,580	5,910	670	10.2
Kittitas	11,020	9,470	1,550	14.1	11,130	9,530	1,600	14.4	11,350	9,500	1,850	16.3
Klickitat	7,000	5,620	1,380	19.7	6,890	5,490	1,400	20.3	7,010	5,890	1,120	16.0
Lewis	23,420	20,340	3,080	13.2	23,490	19,940	3,550	15.1	24,330	20,980	3,350	13.8
Lincoln	4,410	4,140	270	6.1	4,030	3,730	300	7.4	4,500	4,230	270	6.0
Mason	11,020	10,000	1,020	9.3	11,000	9,750	1,250	11.4	11,120	9,850	1,270	11.4
Okanogan	14,280	11,500	2,780	19.5	14,330	11,200	3,130	21.8	14,850	12,090	2,760	18.6
Pacific	6,730	5,580	1,150	17.1	6,620	5,400	1,220	18.4	6,930	5,910	1,020	14.7
Pend Oreille	4,290	3,490	800	18.6	4,130	3,410	720	17.4	4,300	3,660	640	14.9
San Juan	3,980	3,680	300	7.5	3,770	3,420	350	9.3	3,670	3,360	310	8.4
Skagit	33,010	28,610	4,400	13.3	32,790	28,310	4,480	13.7	33,040	28,150	4,890	14.8
Skamania	2,840	2,290	550	19.4	2,800	2,130	670	23.9	2,880	2,390	490	17.0
Stevens	11,900	9,680	2,220	18.7	11,460	9,340	2,120	18.5	12,220	10,010	2,210	18.1
Wahkiakum	1,260	1,090	170	13.5	1,180	1,020	160	13.6	1,180	1,000	180	15.3
Walla Walla	25,290	23,380	1,910	7.6	24,810	22,320	2,490	10.0	25,460	22,800	2,660	10.4
Wenatchee Labor Area 3/	37,550	32,800	4,750	12.6	37,460	32,550	4,910	13.1	37,180	32,250	4,930	13.3
Whitman	17,040	16,490	550	3.2	16,360	15,680	680	4.2	16,970	16,430	540	3.2

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

2/ The Tri-Cities MSA encompasses Benton and Franklin Counties.

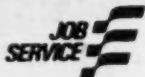
3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

NOTE: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF
NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	APR. 1985 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		APR	MAR	APR	APR	MAR	APR	APR	MAR	APR
		1985	1985	1984	1985	1985	1984	1985	1985	1984
TOTAL MANUFACTURING INDUSTRIES *	177,300	\$446.59	\$454.73	\$446.20	38.4	39.1	38.8	\$11.63	\$11.63	\$11.50
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products.....	33,100	424.62	438.92	428.54	36.7	38.2	38.4	11.57	11.49	11.16
Primary metal industries.....	9,400	511.69	546.27	545.80	39.3	39.7	40.4	13.02	13.76	13.51
Fabricated metal products....	7,200	455.90	452.74	466.27	39.2	38.4	40.3	11.63	11.79	11.57
Machinery.....	16,800	351.29	362.55	392.11	36.9	38.9	38.9	9.52	9.32	10.00
Food & kindred products.....	22,400	355.99	356.42	349.90	36.7	37.4	36.6	9.70	9.53	9.56
Chemicals & allied products...	5,300	564.82	569.01	541.77	41.5	42.4	41.9	13.61	13.42	12.93
SELECTED NONMANUFACTURING INDUSTRIES										
Construction.....	55,600	585.16	605.90	593.40	36.3	36.9	36.1	16.12	16.42	16.44
Wholesale and retail trade....	249,000	310.49	315.52	295.99	34.1	34.0	34.7	9.34	9.28	8.53

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.



Washington State
Employment Security Department

Isiah Turner, Commissioner

Prepared by the
Labor Market and
Economic Analysis Branch
Olympia, WA 98504
(206) 753-5142

In cooperation with
the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 9, Number 6

June 1985

HIGHLIGHTS

More Farm Jobs

Total employment in Washington State jumped 33,200 from April to total 1,935,200 in May. The gain was due mainly to an increase in agricultural jobs, especially in the asparagus harvest which employed over 30,000 workers alone at mid-May. Nonagricultural employment also expanded with a gain of 10,900 between April and May. Most of the increase in nonfarm jobs was also seasonal with the largest gains occurring in construction, retail trade, and services. Expanding tourist business prompted much of the growth in trade and services. Manufacturing employment was little changed over the month as gains exceeded losses by only 300. Aerospace and food products employment rose, but offsetting cutbacks were reported in "other transportation equipment" because of layoffs in shipbuilding and in non-electrical machinery.

	May 1985* (Prel.)	Apr. 1985 (Rev.)	May 1984
Civilian Labor Force	2,109,600	2,086,200	2,067,100
Total Employment	1,935,200	1,902,000	1,878,000
Total Unemployment	174,400	184,200	189,100
State Unemployment Rate	8.3	8.8	9.1
National Civilian Unemployment Rate	7.0	7.1	7.2

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Seasonally Adjusted
Employment Up

Not all of the change was seasonal between April and May. Total employment, after seasonal adjustment, rose from 1,905,800 to 1,914,100. Moreover, the year-to-year comparison continues to show substantial long-term growth in the state economy. Total employment (unadjusted) was up 57,200 over the year with employment in nonagricultural wage and salary jobs advancing 44,000. Major expansions were credited to aerospace (up 10,400), trade (up 13,600) and services (up 15,300).

Unemployment Down
To 8.3 Percent

The number of unemployed workers in the state dropped 9,800 from April to total 174,400 in May. The jobless rate fell from 8.8 percent to 8.3 percent over the month. As in the case of employment, most but not all of the change was seasonal. After seasonal adjustment, total unemployment fell from 182,000 to 178,100; the adjusted unemployment rate dropped from 8.7 to 8.5 percent.

Over the year, an expanding economy lowered unemployment by 14,700. The unadjusted jobless rate in May 1984 was 9.1 percent versus 8.3 percent this May. Nationally, the unadjusted jobless rate edged down to 7.0 percent in May from 7.1 percent in April. The May 1984 rate for the nation was 7.2 percent.

State Outpaces Nation:
Gap Between State and
National Jobless Rates
Narrows to 1.3 Points

While the state lagged behind the nation in recovering from the 1981-1982 recession, the expansion in the state's economy has outpaced that of the nation in the past year. Between May 1984 and 1985, employment nationally increased 1.7 percent compared with a gain of 3 percent in Washington State. As a result, the gap between the state and national unemployment rate has narrowed considerably. In May 1984 the national unadjusted rate was 7.2 percent versus 9.1 percent in Washington State, a difference of 1.9 points. In May 1985, however, the gap narrowed to 1.3 points with the state's rate at 8.3 percent and the national rate at 7.0 percent.

A major factor in the narrowing gap between the state and national unemployment rates is the effect of foreign competition on manufacturing. Because of the strength of the dollar, which makes foreign goods less expensive than goods manufactured in this country, manufacturing employment in the nation rose only 0.3 percent between May 1984 and 1985. By contrast, manufacturing employment rose 1.2 percent over the year in Washington State. State manufacturers have also been hard hit by foreign competition but growth in aerospace payrolls more than offset employment losses in the lumber, metals and machinery industries which have been the most adversely impacted sectors in this state. Aerospace has foreign competition in the commercial airliner business, but its defense and space business is insulated from overseas competition.

Unemployment Rates Low In Bremerton and Seattle

Local jobless rates in the state continue to vary widely. In the state's metropolitan areas, rates in May varied from lows of 6.3 percent in the Bremerton Metropolitan Area and 6.8 percent in the Seattle area to a high of 12.6 percent in the Yakima Metropolitan Area. Unemployment is relatively low in Bremerton because of the stability provided by naval installations, the area's predominant source of jobs. Seattle's rate is low because of industrial diversity and growth in aerospace. Unlike many of the less populated counties of the state, workers losing jobs in the Seattle Metropolitan Area have more alternative sources of employment within commuting distance. In many of the state's counties where lumber is the major source of manufacturing jobs, alternative jobs often require moving.

Seattle's Expanding Economy Attracts Job Seekers

And to an extent, this has occurred. Employment in the Seattle area rose 38,900 between May 1984 and May 1985 to account for over two-thirds of the state's job growth. Unemployment in the Seattle area, however, fell only 6,300, (43 percent of the statewide drop) as the expansion in aerospace attracted job seekers from other areas. Nonetheless, Seattle's jobless rate in May at 6.8 percent was below the comparable national rate of 7.0 percent.

STATE TOTAL EMPLOYMENT

JANUARY 1980-MAY 1985



□ NOT SEASONALLY ADJ.

+ SEASONALLY ADJUSTED

STATE UNEMPLOYMENT RATE

JANUARY 1980-MAY 1985



□ NOT SEASONALLY ADJ.

+ SEASONALLY ADJUSTED

Yakima's jobless rate was down over the year, but at 12.6 percent in May it was double the rate for the Bremerton area. The major reason for Yakima's high jobless rate is the volatility of its labor force and of agriculture and food processing, its major industries. Between April and May, for example, total employment in the Yakima area rose 4,200 (5.8 percent) because of the asparagus harvest. The labor force, however, also rose 4,200 because many of the harvest jobs were filled by migrant farm workers. The number of unemployed workers remained unchanged at 11,000; the area's jobless rate dropped from 13.2 to 12.6 percent but only because of an expanded labor force.

**Recession Continues
In Areas Dependent
On The Lumber Industry**

The unemployment rate in the 11 counties where the lumber industry is the largest source of manufacturing jobs declined over the month and over the year. Nonetheless at 12.2 percent in May, unemployment in these counties was still at a recessionary level. In post-World War II recessions the statewide rate in May has never been as high as 12.2 percent.

MANUFACTURING INDUSTRIES

Both aerospace and food manufacturers added 400 workers in May, but offsetting losses occurred in "other transportation equipment" and nonelectrical machinery. Small changes in other industries resulted in an overall gain of 300 in manufacturing for the month.

The increase in food processing was entirely seasonal and employment in the industry was unchanged over the year. Workers were added in May to help process the asparagus crop, but layoffs were reported at firms processing potato products. The gain in aerospace continued the industry's expansion which began in late 1983. Growth in recent months, however, has been more moderate than in the second half of 1984 when most monthly gains were 1,000 or better.

**Boeing Wins One
Loses One**

The Boeing Company continues to add to its order backlog. Boeing recently announced the sale of 10 aircraft to Lufthansa Airlines for around \$500 million. The airline also has the option to buy ten more of the 737-300 medium-range jets. Lufthansa, however, also placed an order with Airbus Industrie for 22 aircraft with options to buy 28 more. The order, including options and space parts, could be worth over \$2 billion. The strength of the dollar may have been a factor in the award of the contract to Airbus rather than Boeing, although the West German government which owns Lufthansa also owns part of Airbus Industrie.

Shipyards Continue Layoffs

Coast Guard Contract Goes to Todd

"Other transportation equipment" employment fell 500 in May to bring the industry level down 2,200 from one year ago. Recent news in the industry included the award of a \$236 million contract for the overhaul of eight Coast Guard cutters which was given to Todd Shipyards of Seattle. According to Todd the contract would keep 400 workers at the yard employed for the next five years. About one-third of the jobs would be filled by existing employees.

A wage concession proposal was recently rejected by Todd workers on certain contracts to make the yard more competitive. The proposal would have reduced pay on the contracts from \$13.50 to \$10.00 per hour. Two Portland shipyards recently accepted a similar proposal. A Todd spokesman said this puts their Seattle yard at an almost insurmountable competitive disadvantage. The union is now considering a new wage-concession proposal made by Todd.

Machinery employment dropped 200 in May as a gain of 100 in electrical equipment only partially offset a 300 drop in nonelectrical equipment. The drop occurred at one firm manufacturing high-tech related products. The outlook for high-tech in the state, however, is still bright.

State Lands New Plant

A partnership between RCA and Sharp Corporation, a Japanese firm, announced that they would build a \$200 million "superchip" plant in Clark County. The "superchip" is a new kind of integrated circuit which can accommodate thousands of data bits on a sliver of space. RCA-Sharp plans to hire up to 650 workers for the facility by 1989 and pay an average salary of about \$40,000 per year. Robots are expected to perform most of the production work in a sterile environment, but the plant may eventually employ 1,600 workers despite its high degree of automation. John Anderson, Director of the Department of Commerce and Economic Development, said that the establishment of the plant in Washington State will encourage other firms to locate here. "Other companies are going to figure that RCA-Sharp, a blue chip name in business, must have known something when it decided to locate here."

The location decision was influenced by a bill recently passed by the legislature to delay sales tax payments on plant construction and another bill authorizing \$15 million to help local governments finance "critical public works" projects. The sales tax deferral measure is designed to attract new business by providing three-year sales tax deferrals, interest free, to out-of-state manufacturing and high-tech companies that agree to build new plants in Washington State.

BPA To Help Northwest Aluminum Plants

Primary metals employment dipped 100 in May and was down 1,300 over the year. The drop from last year was largely the result of the closure of the Asarco smelter in Tacoma and cutbacks at aluminum plants, which are hard pressed by foreign producers with substantially lower electric power rates. The Bonneville Power Administration (BPA) recently announced that it would assist the Northwest aluminum industry by adopting a special rate structure for aluminum plants. It would reduce the cost of electricity from BPA by one-tenth cent per kilowatt hour for every cent aluminum prices drop below 60 cents per pound. If the proposed rate structure were now in effect, aluminum plants would be paying 1.5 cents per kwh rather than the current incentive rate of 1.9 cents per kwh. The 1.5 cent rate is close to the average cost to aluminum plants world-wide. BPA also proposes paying between 10 and 20 percent of the cost of conservation improvements which the companies make to their plants. The new power rates are proposed to take effect next spring.

Lumber Payrolls At Recession Level

Employment in lumber and wood products rose less than seasonally anticipated between April and May. The May 1985 level was 5,200 below that of May 1984 and also lower than during the 1982 recession. The industry's problem stems mainly from rising Canadian lumber imports. The Canadian share of the United States' lumber market has increased from 19 percent 10 years ago to about one-third today. The major factor behind the increased competition from Canada continues to be the high value of the U.S. dollar relative to the Canadian dollar, making Canadian lumber cheaper to buy.

Workers Accept Pay Cuts

Some union workers in the lumber industry are now willing to accept reduced wages and benefits to save (or regain) their jobs. Details were not available but an agreement was reached between the union and Weyerhaeuser to restart its Raymond sawmill and to keep employees working in the Raymond and Pe Ell woods operations. Approximately 465 workers are involved, including 127 at the closed Raymond sawmill. In Longview, workers from Weyerhaeuser's Green Mountain Mill voted to accept a company offer and return to work. Weyerhaeuser had closed the mill because it had been losing money. The agreement included no change in health, welfare and pension benefits, but wages and other benefits would be determined by lumber prices and production. The agreement also included some combining of jobs with 109 of the mill's 125 original workers scheduled to return to work.

Where The Action Is

Retail trade employment rose 4,400 to account for 40 percent of the increase in nonfarm jobs between April and May. The largest gains occurred at eating and drinking places which benefited from a pickup in tourist business. Other retail outlets also expanded in May, however. The Commerce Department reported that consumer spending rose one percent nationally in April and 0.7 percent in May. The increase likely reflects the late processing of income tax refunds. Since many refunds were not mailed until late May, June spending should also be high.

Although much, if not most, of the April-May gain was seasonal, there has been considerable non-seasonal growth in retail trade payrolls. Over the year, the number of jobs in the industry has increased 11,400 to boost "base" employment in the retail sector by nearly 1,000 per month.

Increased tourist business also added jobs in the service industries in May. Employment in the overall sector rose 1,300 for the month with higher employment reported by hotels-motels, amusements (golf courses, recreation clubs, etc), and agricultural and medical services. Gains were partially offset by lower employment at firms preparing income tax returns because of the passing of the tax deadline.

As in retail trade, employment in services expanded sharply over the year, adding 15,300 jobs between May 1984 and May 1985. The largest growth was reported in business services (up 2,800), health services (up 4,300) social services--day care, residential care, charities, etc.--(up 1,800).

Construction--Going Up

Home Mortgage Rate Down

Construction payrolls added 2,000 in May and were up 3,100 over the year. The F.W. Dodge construction data for Washington State showed the value of construction in the state for the first five months of 1985 up seven percent from the comparable period in 1984. The value of residential building construction was down four percent over the year, but the value of street highway and utility construction rose nine percent. The cumulative value of contracts issued for non-residential buildings (commercial, school, public, religious, etc.) added 20 percent year to year. Declining mortgage rates should prompt growth in residential construction in the months ahead. The typical fixed rate, 30 year mortgage in June of this year in Washington State was between 11.5 and 12.5 percent, the lowest level since 1978.

Auto Imports Creates Jobs In Tacoma

Employment in transportation-utilities moved up 1,100 in May with seasonal growth in business activity requiring more trucking, warehousing and other transportation

services. General Motors announced that it will begin to import cars through the Port of Tacoma which will add to employment in the sector. General Motors expects to import up to 50,000 Japanese cars a year through the Port beginning August 1st. According to the Port, the additional business will create 15 more full-time jobs for longshoremen, while Auto Warehousing will employ up to 35 additional workers on an as-needed basis. Auto Warehousing installs air conditioners, mirrors and other equipment on the imported vehicles.

Government Jobs Up Seasonally

Government civilian employment moved up 600 in May because of the addition of workers for such seasonal activities as street-highway repair and landscape work. Gains were offset somewhat by an earlier than usual completion of the regular school year at one institution; the 1984-1985 academic year also began earlier than usual at the school.

Navy Task Force May Add 23,200 Jobs by 1992

According to a U.S. Navy environmental impact statement, basing an aircraft carrier task force in Everett would create an estimated 23,200 jobs (directly and indirectly) in Washington State by 1992. Approximately 16,050 of the jobs would be located in Snohomish County, but the new jobs are not expected to lower unemployment in the county significantly because the new base will attract thousands of new residents. The Navy proposes building a commissary, base exchange and other facilities at the Seattle Sand Point Naval Station because of limited space at the Everett site. This may cause many of the new residents to live in south Snohomish County or north King County.

Mine Sweepers For Westport?

Grays Harbor officials are hoping that the Navy will base two mine sweepers at Westport. According to the Navy, the base would create an estimated payroll of 200 and an estimated reserve force of up to 485 on weekends. A crowd of 3,000 recently turned out at a rally to encourage the Navy to locate the minesweeper base at Westport. The Grays Harbor economy has been hard hit by the declining lumber industry and the El Nino ocean current phenomenon which damaged fishing and razor clamming.

THE NATIONAL CONTEXT

Indicators Improve

National economic indicators took on a more positive hue in May. The Index of Leading Economic Indicators rose 0.7 percent in May following declines in the previous two months. The Commerce Department's initial estimate of the Gross National Product (GNP) for the second quarter showed the economy growing at a 3.1 percent annual rate, up from 0.3 percent for the first quarter. The GNP is the broadest measure of the nation's economic activity. A factor in the rise in the GNP was a drop in the rate of inflation. The implicit price deflator, which is used to adjust the GNP, fell from an annual rate of 5.4 percent in the first quarter to 3.2 percent in the second quarter.

Construction Outlook Bright

Construction activity is expected to pick up in the months ahead because of falling interest rates. Indicators of construction, however, were mixed in May. National housing starts dropped 14 percent in May to a seasonally adjusted annual rate of 1.66 million units, but falling mortgage interest rates boosted purchases of both new and existing homes. May starts were at an unusually high 1.93 million units. Moreover, building permits, an indicator of future construction, rose three percent in May, while spending for all new construction rose 1.5 percent in May. The May gain in construction spending reflected growth in the non-residential sector.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	May 1985	April 1985	May 1984	May 1985	April 1985
U.S. City Average	321.3	320.1	309.7	+3.7	+3.7
Seattle-Everett	321.0	N/A	313.0	+2.6	N/A

7/29/85 508340-3



Washington State
Employment Security Department
Isali Turner, *Commissioner*

Prepared by the
Research & Analysis Branch
Olympia, WA 98504
(206) 753-5142

In cooperation with
the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 9, Number 6

June 1985

SUPPLEMENT

Dear Reader,

Labor Force and related tables were not sent out with the June issue of the Washington Labor Market. The tables are provided in this supplement.

Irv Lefberg, Director
Labor Market and
Economic Analysis Branch

(In Thousands)

NOT SEASONALLY ADJUSTED					Numerical Change	
	May. 1985 (Prel.)	Apr. 1985 (Rev.)	May. 1984 (Rev 4/)	Apr. 1984 (Rev 4/)	Apr. 85 to May. 85	May. 84 to May. 85
TOTAL NONAG. WAGE AND SALARY.	1,682.7	1,671.8	1,638.7	1,621.1	+10.9	+44.0
TOTAL MANUFACTURING.....	288.1	287.8	284.8	281.9	+0.3	+3.3
Durable Goods.....	200.0	200.3	198.1	196.6	-0.3	+1.9
Lumber & Wood Products....	36.9	36.8	42.1 3/	41.4	+0.1	-5.2
Furniture & Fixtures.....	3.2	3.3	3.4	3.4	-0.1	-0.2
Stone Clay & Glass Prod...	6.5	6.4	6.3	6.2	+0.1	+0.2
Primary Metal Industries..	12.1	12.2	13.4	13.5	-0.1	-1.3
Aluminum Prod. & Proc.....	8.1	8.1	8.7	8.9	0.0	-0.6
Fabricated Metal Prod.....	9.8	9.7	9.6	9.5	+0.1	+0.2
Machinery.....	27.7	27.9	28.2	28.0	-0.2	-0.5
Machinery exc. Elect.....	15.6	15.9 3/	16.8	16.8	-0.3	-1.2
Electrical & Electronic..	12.1	12.0	11.4	11.2	+0.1	+0.7
Transportation Equipment..	88.8	88.9	80.6	80.3	-0.1	+8.2
Aerospace.....	75.0	74.6	64.6	64.2	+0.4	+10.4
Other Transp. Equip.....	13.8	14.3	16.0	16.1	-0.5	-2.2
Instruments & Rel. Prod...	10.5	10.5	10.0	9.9	0.0	+0.5
Misc. Manufacturing Ind...	4.5	4.6	4.5	4.4	-0.1	0.0
Nondurable Goods.....	88.1	87.5	86.7	85.3	+0.6	+1.4
Food & Kindred Products...	30.2	29.8	30.2	29.3	+0.4	0.0
Canned & Preserved Foods.	11.3	10.9	10.9	10.0	+0.4	+0.4
Apparel & Other Text. Prod.	6.3	6.3	6.3	6.2	0.0	0.0
Paper & Allied Products...	16.0	15.9	16.0	16.0	+0.1	0.0
Printing & Publishing.....	17.1	17.2	16.5	16.3	-0.1	+0.6
Chemicals & Allied Prod...	11.1	11.0	10.6	10.5	+0.1	+0.5
Other Nondurable Goods 2/.	7.4	7.3	7.1 3/	7.0 3/	+0.1	+0.3
MINING & QUARRYING.....	2.7	2.6	2.6	2.5	+0.1	+0.1
CONSTRUCTION.....	78.8	76.8	75.7	73.2	+2.0	+3.1
TRANS. & PUBLIC UTILITIES...	91.0 3/	89.9 3/	89.8	88.6	+1.1	+1.2
WHOLESALE & RETAIL TRADE...	414.0	409.7	400.4	395.4	+4.3	+3.6
Wholesale Trade.....	103.6	103.7	101.4	100.8	-0.1	+2.2
Retail Trade.....	310.4	306.0	299.0	294.6	+4.4	+11.4
FIN. INS. & REAL ESTATE....	96.3	95.6	94.6	93.9	+0.7	+1.7
SERVICES.....	365.5	364.2	350.2	347.8	+1.3	+15.3
GOVERNMENT.....	346.3	345.2	340.6	337.8	+1.1	+5.7
Federal.....	70.0	69.4	68.5	67.8	+0.6	+1.5
State & Local.....	276.3	275.8	272.1	270.0	+0.5	+4.2
Education.....	149.9	150.9	149.4	148.2	-1.0	+0.5
(WORKERS IN LABOR-MANAGEMENT DISPUTES).....	0.7	0.7	0.3	0.2	0.0	+0.4

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

4/ Revised in May 1985 due to corrections involving Education. The 1983 and 1984 annual tables have been revised and are available.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

June 25, 1985
Benchmark 1984

(Not Seasonally Adjusted)

	May 1985 Preliminary 1/				April 1985 Revised 1/			
	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate
Washington State Total	2,125,400	1,950,200	175,200	8.2	2,102,200	1,918,600	183,600	8.7
Bellingham MSA	52,200	47,200	5,000	9.6	51,700	46,600	5,100	9.9
Bremerton MSA	66,200	62,000	4,200	6.3	65,800	61,500	4,300	6.5
Olympia MSA	63,100	57,900	5,200	8.2	61,800	56,600	5,200	8.4
Seattle PMSA	948,800	884,600	64,200	6.8	945,600	879,100	66,500	7.0
King County	745,200	695,900	49,300	6.6	742,600	691,500	51,100	6.9
Snohomish County	203,600	188,700	14,900	7.3	203,000	187,600	15,400	7.6
Spokane MSA	164,500	151,900	12,600	7.7	162,900	149,700	13,200	8.1
Tacoma PMSA	197,300	179,800	17,500	8.9	196,900	178,800	18,100	9.2
Tri-Cities MSA 2/	74,700	67,900	6,800	9.1	72,300	65,100	7,200	10.0
Vancouver PMSA	95,700	87,300	8,400	8.8	94,400	85,800	8,600	9.1
Yakima MSA	88,300	77,200	11,100	12.6	84,000	73,000	11,000	13.1
Adams	7,950	7,240	710	8.9	7,270	6,580	690	9.5
Asotin	8,510	7,790	720	8.5	8,350	7,610	740	8.9
Clallam	19,180	17,160	2,020	10.5	19,230	16,770	2,460	12.8
Columbia	2,920	2,740	180	6.2	2,710	2,510	200	7.4
Cowlitz	33,690	29,370	4,320	12.8	33,640	29,250	4,390	13.0
Ferry	2,700	2,350	350	13.0	2,740	2,210	530	19.3
Garfield	1,330	1,240	90	6.8	1,200	1,090	110	9.2
Grant	25,410	22,250	3,160	12.4	23,380	20,600	2,780	11.9
Grays Harbor	29,000	25,780	3,220	11.1	28,500	24,930	3,570	12.5
Island	16,880	15,580	1,300	7.7	16,310	14,980	1,330	8.2
Jefferson	6,700	6,140	560	8.4	6,550	5,930	620	9.5
Kittitas	11,290	10,040	1,250	11.1	11,090	9,530	1,560	14.1
Klickitat	7,140	6,040	1,100	15.4	7,090	5,720	1,370	19.3
Lewis	24,400	21,410	2,990	12.3	23,640	20,570	3,070	13.0
Lincoln	5,080	4,800	280	5.5	4,440	4,170	270	6.1
Mason	11,770	10,850	920	7.8	11,630	10,610	1,020	8.8
Okanogan	14,170	12,170	2,000	14.1	14,360	11,560	2,800	19.5
Pacific	6,810	5,820	990	14.5	6,720	5,590	1,130	16.8
Pend Oreille	4,320	3,550	770	17.8	4,320	3,510	810	18.8
San Juan	4,120	3,850	2,70	6.6	3,970	3,670	300	7.6
Skagit	33,600	29,540	4,060	12.1	33,250	28,910	4,340	13.1
Skamania	2,850	2,390	460	16.1	2,920	2,370	550	18.8
Stevens	12,080	10,450	1,630	13.5	11,930	9,740	2,190	18.4
Wahkiakum	1,220	1,090	130	10.7	1,260	1,090	170	13.5
Walla Walla	26,710	25,100	1,610	6.0	25,450	23,530	1,920	7.5
Wenatchee Labor Area 3/	37,690	33,100	4,590	12.2	37,550	32,810	4,740	12.6
Whitman	17,190	16,630	560	3.3	17,140	16,590	550	3.2

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.

2/ Encompasses Benton and Franklin counties.

3/ Encompasses Chelan and Douglas counties.

Note: Detail may not add due to rounding.

Labor Market and Economic Analysis Branch

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: June 25, 1985
Benchmark: 1984

(Not Seasonally Adjusted)

	May 1985 Preliminary 1/				April 1985 Revised 1/				May 1984 Revised			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,109,600	1,935,200	174,400	8.3	2,086,200	1,902,000	184,200	9.8	2,067,100	1,878,000	189,100	9.1
Bellingham MSA	51,800	46,800	5,000	9.7	51,300	46,200	5,100	9.9	51,500	46,400	5,100	9.9
Bremerton MSA	65,600	61,500	4,100	6.3	65,400	61,000	4,400	6.7	64,400	59,900	4,500	7.0
Olympia MSA	62,600	57,400	5,200	8.3	61,500	56,200	5,300	8.6	60,000	54,300	5,700	9.5
Seattle PMSA	941,700	877,800	63,900	6.8	938,100	871,400	66,700	7.1	909,100	838,900	70,200	7.7
Spokane MSA	163,300	150,700	12,600	7.7	161,700	148,400	13,300	8.2	159,400	146,900	12,500	7.8
Tacoma PMSA	195,800	178,400	17,400	8.9	195,400	177,200	18,200	9.3	191,700	172,700	19,000	9.9
Tri-Cities MSA 2/	74,100	67,400	6,700	9.0	71,800	64,500	7,300	10.2	75,300	66,300	9,000	12.0
Vancouver PMSA	94,900	86,600	8,300	8.7	93,800	85,100	8,700	9.3	92,600	83,600	9,000	9.7
Yakima MSA	87,600	76,600	11,000	12.6	83,400	72,400	11,000	13.2	90,700	78,600	12,100	13.3
Adams	7,900	7,190	710	9.0	7,210	6,520	690	9.6	7,860	7,050	810	10.3
Asotin	8,440	7,730	710	8.4	8,280	7,540	740	8.9	8,350	7,650	700	8.4
Clallam	19,040	17,030	2,010	10.6	19,090	16,620	2,470	12.9	19,310	17,140	2,170	11.2
Columbia	2,900	2,720	180	6.2	2,700	2,490	210	7.8	2,740	2,540	200	7.3
Cowlitz	33,430	29,140	4,290	12.8	33,400	29,000	4,400	13.2	33,250	29,380	3,870	11.6
Ferry	2,680	2,330	350	13.1	2,730	2,190	540	19.8	2,600	2,200	400	15.4
Garfield	1,320	1,230	90	6.8	1,190	1,080	110	9.2	1,320	1,210	110	8.3
Grant	25,220	22,070	3,150	12.5	23,210	20,420	2,790	12.0	24,520	21,710	2,810	11.5
Grays Harbor	28,780	25,580	3,200	11.1	28,300	24,720	3,580	12.7	29,570	25,850	3,720	12.6
Island	16,750	15,460	1,290	7.7	16,180	14,850	1,330	8.2	15,680	14,370	1,310	8.4
Jefferson	6,640	6,090	550	8.3	6,500	5,880	620	9.5	6,670	6,090	580	8.7
Kittitas	11,200	9,960	1,240	11.1	11,010	9,450	1,560	14.2	11,500	9,990	1,510	13.1
Klickitat	7,080	5,990	1,090	15.4	7,050	5,670	1,380	19.6	7,300	6,270	1,030	14.1
Lewis	24,220	21,240	2,980	12.3	23,480	20,400	3,080	13.1	24,590	21,630	2,960	12.0
Lincoln	5,040	4,760	280	5.6	4,400	4,130	270	6.1	4,960	4,710	250	5.0
Mason	11,690	10,770	920	7.9	11,540	10,520	1,020	8.8	11,030	9,920	1,110	10.1
Okanogan	14,070	12,080	1,990	14.1	14,270	11,460	2,810	19.7	14,850	12,490	2,360	15.9
Pacific	6,760	5,770	990	14.6	6,670	5,540	1,130	16.9	7,200	6,000	1,200	16.7
Pend Oreille	4,290	3,520	770	17.9	4,300	3,480	820	19.1	4,370	3,780	590	13.5
San Juan	4,090	3,820	270	6.6	3,930	3,630	300	7.6	3,810	3,550	260	6.8
Skagit	33,350	29,310	4,040	12.1	33,000	28,650	4,350	13.2	33,200	28,810	4,390	13.2
Skamania	2,820	2,370	450	16.0	2,900	2,350	550	19.0	2,710	2,280	430	15.9
Stevens	12,000	10,370	1,630	13.6	11,850	9,650	2,200	18.6	12,500	10,760	1,740	13.9
Wahkiakum	1,210	1,080	130	10.7	1,250	1,080	170	13.6	1,240	1,080	160	12.9
Walla Walla	26,510	24,910	1,600	6.0	25,250	23,320	1,930	7.6	26,460	24,510	1,950	7.4
Wenatchee Labor Area 3/	37,420	32,850	4,570	12.2	37,280	32,520	4,760	12.8	37,000	32,150	4,850	13.1
Whitman	17,070	16,510	560	3.3	17,000	16,450	550	3.2	17,740	17,280	460	2.6

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

2/ The Tri-Cities MSA encompasses Benton and Franklin Counties.

3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

NOTE: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF
NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	MAY. 1985 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		MAY 1985	APR 1985	MAY 1984	MAY 1985	APR 1985	MAY 1984	MAY 1985	APR 1985	MAY 1984
TOTAL MANUFACTURING INDUSTRIES *	177,900	\$457.46	\$448.91	\$444.68	39.2	38.5	38.5	\$11.67	\$11.66	\$11.55
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products.....	33,000	454.73	433.53	412.54	39.1	37.6	36.9	11.63	11.53	11.18
Primary metal industries.....	9,200	521.89	509.35	564.17	40.3	39.7	40.5	12.95	12.83	13.93
Fabricated metal products.....	7,300	460.94	453.96	491.90	38.8	39.0	42.7	11.88	11.64	11.52
Machinery.....	16,600	363.47	351.44	391.84	38.1	36.8	39.7	9.54	9.55	9.87
Food & kindred products.....	23,200	369.98	350.66	344.56	38.5	36.3	36.5	9.61	9.66	9.44
Chemicals & allied products...	5,300	574.03	563.45	552.55	41.9	41.4	42.8	13.70	13.61	12.91
SELECTED NONMANUFACTURING INDUSTRIES										
Construction.....	58,900	586.56	586.80	582.56	36.5	36.2	35.5	16.67	16.21	16.41
Wholesale and retail trade....	252,200	316.93	317.13	310.54	34.3	34.1	34.2	9.24	9.30	9.08

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.



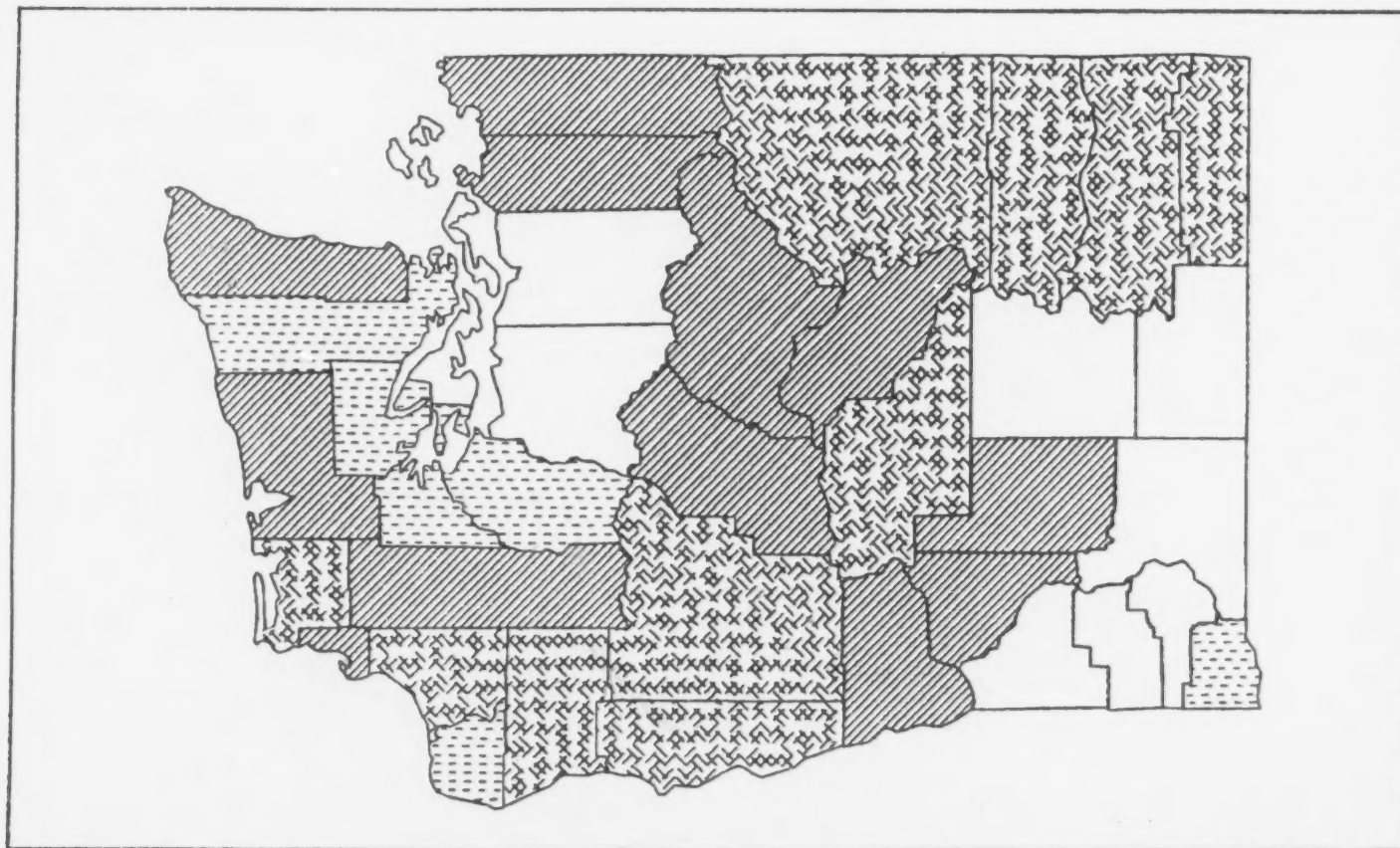
OVER 12.4

9.0 - 12.4

7.8 - 8.9

UNDER 7.8

MAY UNEMPLOYMENT
RATES





Washington State
Employment Security Department

Isiah Turner, *Commissioner*

Prepared by the
Labor Market and
Economic Analysis Branch
Olympia, WA 98504
(206) 753-5142

In cooperation with
the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 9, Number 7

July 1985

HIGHLIGHTS

Seasonal Jobs Up-- But Less Than Expected

Seasonal factors dominated the job market as usual in June. Total employment rose 28,000 from May with work in agriculture, construction and tourist-related business moving into high gear with the beginning of summer. Farm employment expanded with workers being hired to harvest cherries, strawberries and to thin apples and pears. Nonagricultural wage and salary employment increased 19,400 over the month.

Layoffs in a number of industries limited the seasonal expansion in manufacturing to 600 between May and June. Job gains were noted in lumber, aerospace, food products, chemicals and fabricated metals, but losses were reported in aluminum, other transportation equipment (shipbuilding), apparel and pulp-paper products.

	June 1985* (Prel.)	May 1985* (Rev.)	June 1984
Civilian			
Labor Force	2,139,900	2,110,800	2,096,600
Total Employment	1,963,900	1,935,900	1,909,300
Total Unemployment	176,000	174,900	187,300
State Unemployment			
Rate	8.2	8.3	8.9
National Civilian			
Unemployment Rate	7.5	7.0	7.4

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Sizable seasonal increases occurred in most nonmanufacturing industries over the month with the exception of education where employment fell because of the end of the regular school year. Ideal weather for outdoor work boosted jobs in construction. Retail trade and services employment were sharply higher because of increased tourist business. Seasonal hiring by firms packing and shipping fresh fruit (cherries) and vegetables resulted in a sizable gain in wholesale trade payrolls. Government civilian payrolls rose in June: the loss in education was more than offset by the employment of youth in special summer programs and the hiring of summer park, playground and forestry workers.

While 28,000 new jobs appear to be a substantial increase, the gain was actually below normal for the May-June period. On a seasonally adjusted basis, total employment in the state fell 10,000 to return to near its April level. Aside from a below normal expansion in manufacturing, farm employment was also up less than usual. Cool June weather delayed the start of the strawberry harvest in most areas until after the mid-week in June. (Monthly estimates are made for the week including the 12th of the month.) In addition, the size of the cherry crop was well below normal this year.

Frost Reduces Harvest Yields

Freezing weather this spring reduced the expected yield in the state's sweet cherry harvest 51 percent from last year according to the Washington Crop and Livestock Reporting Service. The forecast for the apple crop shows a 15 percent drop in production. Most of the drop is expected in the Yakima Valley, which was especially hard hit by frost in April. Cold weather this spring also adversely affected the pear and peach crops. A drop in production from 1984 levels of 14 percent is forecast for Bartlett pears, 8 percent for other pears, and 21 percent for peaches.

Dry Weather Dims Outlook For Wheat

Cold spring weather is expected to reduce fruit production, but this summer's hot, dry weather could cause a 30 percent decline in the size of the state's wheat crop. Next year's output could also be reduced if the drought continues. Wheat is Washington State's largest crop in terms of value. While wheat does not require thousands of seasonal harvest workers as do some other crops in the state, the dollars the wheat crop generates has a great impact on the state's economy through the creation of indirect jobs. In 1983 the value of the wheat crop was \$635 million, which represented 19.4 percent of the total value of the state's farm products for the year. By contrast the 1983 apple crop was valued at \$311.6 million, which represented 9.5 percent of the state's farm output. (1984 data are not yet available.)

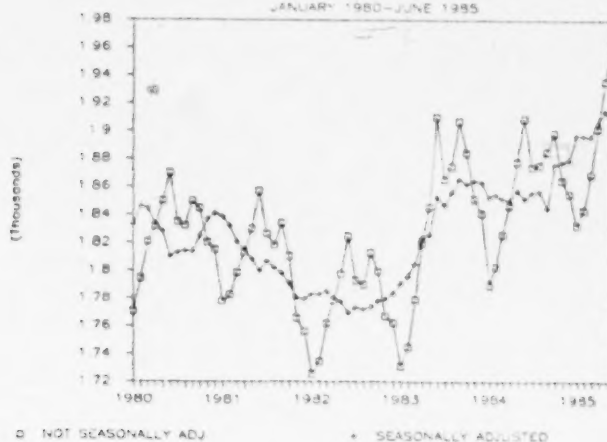
No Picnic For Farmers

The dry, sunny weather may have been a boon for picnics and the tourist industry but not for farmers. Rainfall throughout the state has been about one-half of normal this year which has resulted in shrunken wheat kernels and lower yields. The yield in 1984 was 62 bushels per acre. This year the figure may drop to 45. With the wheat harvest now underway it's too late for rain to help this year's crop. Yields may be even lower next year unless precipitation returns to normal. Many wheat farmers in Eastern Washington areas let fields lie fallow every other year to get two year's moisture into one season. Even that may not be enough next year.

In addition to lower production, wheat farmers are also being hurt by low prices resulting from less export business. In the Northwest the price per bushel is the lowest since 1976. Export demand has declined because of the strong dollar and increased production in other countries. Unfortunately, around 90 percent of Washington State wheat is normally exported.

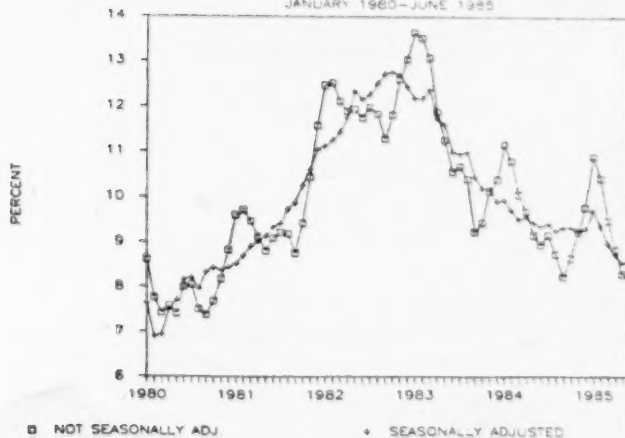
STATE TOTAL EMPLOYMENT

JANUARY 1980-JUNE 1985



STATE UNEMPLOYMENT RATE

JANUARY 1980-JUNE 1985



Unemployment Rate Shows Little Change

The jobless rate in Washington State edged down to 8.2 percent of the labor force in June from 8.3 percent in May (not seasonally adjusted). The decline resulted from a large seasonal increase in the labor force. Numerically, unemployment rose 1,100 over the month, but the labor force jumped 29,000 as thousands of youth entered the labor market at the end of the regular school year. The improvement in the unemployment situation was slightly below expectations. The seasonally adjusted rate moved up from 8.5 to 8.6 percent. Except for May, however, the adjusted rate was at its lowest level since January 1981.

Jobless Rates Down in Agricultural and Lumber Areas, Up in Seattle and Vancouver

Unemployment rates (not seasonally adjusted) between May and June generally declined in areas dependent on agriculture and the lumber industry. Employment opportunities in both of these sectors improved seasonally. Jobless rates in several metropolitan areas rose slightly. Young people in these areas often find it difficult to land jobs. In the Seattle Metropolitan Area the rate rose from 6.8 to 7.0 percent between May and June. The June rate in Seattle, though, remained well below the state rate (8.2 percent), and significantly below the national unadjusted rate (7.5 percent). The jobless rate in the Yakima area, while remaining high, fell from 12.6 percent in May to 11.2 percent in June thanks to expanding opportunities in agriculture and related industries. New openings in lumber lowered the unemployment rate in Grays Harbor County from 11.2 to 10.5 percent over the month. One of the largest changes in the June unemployment rates occurred in the Vancouver Metropolitan Area where the rate jumped from 8.9 to 9.8 percent between May and June. Layoffs in the area's apparel and metals industries were largely responsible.

Substantial Job Growth Over the Year. State Outpaces Nation

Despite June's relatively weak seasonal growth, the year-to-year comparison continues to show substantial improvement with total employment up 54,600, or 2.9 percent; and the jobless rate down seven-tenths of a point, from 8.9 to 8.2 percent. By contrast, total employment in the United States was up only 0.9 percent over the year in June, while the jobless rate was up one tenth of a percentage point, from 7.4 to 7.5 percent. (Data not seasonally adjusted.)

The major factor accounting for the stronger performance in Washington State than in the nation was growth in aerospace jobs. Aerospace employment rose 9,700 in the state between June 1984 and June 1985 to account for 18 percent of the state's new jobs. Considering the secondary effects of the expansion in aerospace, the industry probably accounted for one-third of the year-to-year job growth in the state. With employment gains in aerospace now tapering off, however, the state will

begin to parallel national labor market trends more closely. Ultimately, of course, even aerospace will reflect national economic conditions, as we have witnessed before.

Manufacturing Industries

Employment in manufacturing was up 600 from May with gains in lumber, aerospace, food products, chemicals and fabricated metals offsetting losses due to layoffs in aluminum, other transportation equipment (shipbuilding), apparel and pulp and paper products. Lumber and wood products added 800 workers to post the largest gain in manufacturing in June. Employment in that industry, however, remained well below its year-ago level.

Dollar Strong
Manufacturing Weak

Over the year, manufacturing employment in Washington State was up 2,200, or less than one percent. Nationally, however, manufacturing employment experienced an absolute decline between June 1984 and June 1985. In Washington State manufacturing employment would have dropped also except for a strong (9,700) gain in aerospace employment. The major factor behind the weakness in the manufacturing sector continues to be the strong dollar, which makes foreign goods less expensive to purchase than goods manufactured in this country. Unfortunately, no quick turnaround in this situation is likely. Although the dollar has declined significantly from its February peak, its value is still higher than it was at the beginning of the year. In addition, while the dollar has dropped sharply against the pound (down 32 percent) and German mark (down 17 percent), it has declined only 10 percent against the yen. Japan, of course, is the major source of our merchandise trade deficit.

The deficit with Japan has been running at a \$46.4 billion annual rate so far this year. By contrast, the deficit with Germany is now at a \$10.7 billion rate and the deficit with Britain only \$1.1 billion. Until the dollar declines in terms of the yen, American manufacturers will continue to have difficulty competing with Japanese goods.

Aerospace Growth
Slows, but
Outlook Bright

Growth in aerospace payrolls has been limited to 300 per month in the second quarter of this year. While still a very positive factor in our economy, employment gains have declined sharply from the second half of 1984 when job increases in the industry averaged 1,000 per month.

In mid-July, The Boeing Company announced the layoff of 60 sales and marketing employees in an effort to increase its competitiveness with Airbus Industrie, Boeing's European competitor. Some of the affected workers will

move to other jobs with Boeing. Airbus is reportedly trying to increase its market share of jetliners from 15 percent to 30 percent at Boeing's expense. Nonetheless, Boeing's orders are holding up well. During the second quarter, 10 airlines announced orders for 54 Boeing jets worth approximately \$1.6 billion. In the comparable period of 1984, Boeing received orders for 55 planes worth about \$1.5 billion.

Although competition for new airplane orders is great, the outlook for expanding sales is bright. Airline traffic through the first six months of this year was up 8 to 9 percent worldwide and 12 percent in the United States. Most excess capacity in the airline industry has now been absorbed, which should lead to increased aircraft orders.

Recently announced contracts for Boeing aircraft include orders from KLM, the Dutch national airline, and Japan Air Lines. KLM ordered 10 Boeing 737 passenger planes to replace aging Douglas DC-9 planes. The 737's, which burn 24 percent less fuel than the DC-9's, will begin replacing the Douglas aircraft next year. Japan Air Lines ordered its fourth 747-300 jumbo jetliner and signed a letter of intent to buy four additional planes. The airline already had three 747-300's on order.

Boeing may also receive a \$1.5 billion government contract for 15 jets which are designed to provide communications between the President and Trident missile submarines. If Congress approves a House-Senate compromise, work on the contract could start this fall.

Shipbuilding Payrolls Down Again

"Other transportation equipment" employment (mainly shipbuilding) fell 400 in June with substantial layoffs reported by three shipyards. Employment in the industry was down 2,100 over the year.

In July, Todd Shipbuilding in Seattle was awarded two Navy contracts, but problems continued at Tacoma Boatbuilding with 600 workers laid off because of financial problems. Todd received a \$15 million contract for the regular overhaul of a Navy destroyer which will arrive in September. The job will require an average of 300 workers over an eight month period.

A Few New Contracts

In late July Todd announced that it won a \$6 million Navy maintenance contract which will create 400 new jobs for four months. Four similar contracts are likely in the next five years according to the company. Todd will also begin modernizing work on eight Coast Guard cutters in October. That contract is worth \$236 million and work on it will continue into the 1990's.

The new contracts were welcome news at Todd. According to a company spokesman, employment at Todd (650) is now the lowest in 15 years. Since its recent peak employment 30 months ago, the job total at the shipyard has dropped 4,150 because of the shift of Navy work to Maine and Gulf Coast shipyards which have lower wage rates.

Tacoma Boat temporarily laid off 600 workers on its submarine tracker program in July because of a cash-flow crisis. The company is seeking \$13.2 million in additional advance payments from the Navy so that it can continue building the ships. The original contract was for \$146.9 million but was adjusted to \$213 million to account for inflation. Tacoma Boat has delivered five of the ships, is nearing completion of two more and has yet to complete five others.

Aluminum Jobs Down 200

Aluminum employment dropped 200 in June and was down 500 over the year. Although demand for aluminum remains high, foreign competition has reduced prices below the cost of production at some Pacific Northwest mills. The price for aluminum was 48.3 cents per pound in July 1985, down from 56 cents a pound in July 1984. The cost of producing aluminum at some Pacific Northwest mills is 60 cents per pound.

Lumber Payrolls Up Seasonally

Seasonal growth in lumber and wood products boosted employment 800 in June, but payrolls were down 4,200 over the year. Competition from Canada remains the industry's most depressing factor. The relatively low wages of lumber workers in southern states are also limiting the demand for lumber from Washington and Oregon. Canadian producers can sell lumber for less than mills in Pacific Northwest states because the Canadian dollar has declined sharply in terms of the U.S. dollar in recent years. Log exports from the Northwest have also declined.

The Weyerhaeuser Company recently announced that it had indefinitely postponed plans to build a major log exporting facility at DuPont. According to one analyst, existing export facilities in the state are now expected to be adequate to handle all log and wood product exports through the year 2000. When Weyerhaeuser bought the DuPont property in 1976, wood product exports from the state totalled 11.6 million metric tons. They rose to 14.4 million metric tons in 1979, but by 1983 were down to 12.2 million metric tons. (1984 data are not yet available.)

Wage Cuts Accepted

In an effort to save or regain their jobs, some Weyerhaeuser workers accepted wage cuts in July. Weyerhaeuser loggers at Pe Ell and Raymond voted to accept a 20 percent cut in wages with no loss in benefits. A bonus system tied to

productivity, however, will make it possible for them to regain the pay cut and more. Weyerhaeuser mill workers in Raymond approved a wage and benefit reduction package totaling \$3.88 an hour. The agreements affect 127 workers at the Raymond mill, which has been closed since last October, and 338 workers at the Raymond and Pe Ell logging operations.

Pulp Workers Accept 10 Percent Wage Cut

At Port Angeles 370 ITT-Rayonier pulp mill workers accepted a new two-year contract in July that includes a 10 percent pay cut. The mill was closed for over five weeks prior to the vote on the new contract. Company officials estimated the mill would lose \$10 million this year. If the mill's financial performance improves, workers can recover the wage reduction.

High Tech Also Trims Payrolls

John Fluke Manufacturing Company of Everett, which manufactures electronic test equipment, laid off 223 workers in July. The layoff resulted from less demand from the computer and semiconductor industries, which are also experiencing a slowdown after exceptionally high growth last year. Fluke doesn't expect its orders to improve until mid-1986 when new products will be introduced. Hewlett-Packard, another instrument manufacturer, announced employees at Washington State plants located in Spokane, Lake Stevens, and Camas would have six days of unpaid vacation between August and November as part of a program to reduce company expenses.

Imports Help Some

Employment in apparel manufacturing dropped 500 in June, or nearly 8 percent. However, executives of two Seattle companies which import apparel testified before Congress that if bills restricting clothing imports from Asia are approved, it would severely damage Seattle's fast growing apparel industry which is based on imported clothing. The executives represented the Northwest Fair Trade Alliance, an association of 35 clothing companies, port districts, railroads, trucking companies, shipping lines, custom brokerages, and freight forwarders. Apparel was the number one import at the Port of Seattle last year and accounted for more than 13 percent of all imported cargo. The port estimates clothing imports are responsible for 1,300 jobs in Seattle and King County.

Nonmanufacturing Industries

Tourist Business In High Gear

Retail trade and services employment, up 5,300 and 2,600 respectively, continued its expansion in June as the tourist season moved into high gear with the beginning of summer. Major gains on the retail level occurred at restaurants and other eating and drinking places and at gasoline service stations. In addition, annual June sales at apparel stores provided temporary jobs to approximately 1,000 individuals. Growth in the

service industries was centered in hotels-motels-resorts and in amusements, especially amusement parks and carnivals. Employment in private education, however, declined with the completion of the regular school year.

Commercial Building Up Homebuilding Lags

Construction also picked up steam in June with ideal weather for outdoor work. Employment in the building trades rose 3,900 over the month and was 2,900 higher than in June 1984. According to building permit data collected by F.W. Dodge, substantial growth over the year occurred in the construction of commercial buildings with the number of permits for the past six months of this year totaling 667 versus 600 for the similar period in 1984; the dollar value was up 24 percent. Street, highway, and bridge work has also been brisk this year. The cumulative value of these projects for the first six months of 1985 was up 55 percent over the year. This, of course, will come as no surprise to drivers in the state! Homebuilding continues to lag despite lower mortgage rates. The number of permits issued for single family houses in the first half of 1985 was down 11 percent from the comparable period in 1984. Permits for apartment buildings, however, were up 21 percent.

Orient Express

In an effort to obtain more containerized cargo, Burlington Northern Railroad will begin operating six additional double-stack container trains a week between Tacoma and Chicago. Burlington Northern already runs four trains per week between Tacoma, Chicago, and the East Coast for containers, while Union Pacific runs one double-stack container train to the Midwest each week. Burlington Northern hopes the new service will lure more business away from California ports where it does not operate. According to the Port of Tacoma, Tacoma is one day's steaming time closer to the Orient than California Ports and Tacoma port and rail facilities are less congested and better served by the double-stack trains. The trains are especially designed to transport ocean shipping containers on articulated cars more than 250 feet long that carry 10 containers each stacked two high. The Port of Tacoma is expected to rank sixth in the nation this year in the volume of containers handled.

School Year Ends

Employment in public education fell 4,000 in June with the end of the regular school year, but these losses were more than offset by the employment of youth in special summer programs (Youth Conservation Corps, Work Experience Program, etc.) and the hiring of summer park, playground and forestry workers. As a result, total employment in government rose 2,700 between May and June.

The National Context

Conflicting Signals

National economic indicators continued to send out mixed signals, a reflection of the sluggish growth in the first half of the year. As one economist said, however, "I think we'd prefer a boring economy that's moving ahead to one that's providing thrills but moving down."

Leading Indicators Up

A modest rebound in the economy may occur in the second half of the year. The Index of Leading Economic Indicators rose 1 percent in June to post its largest increase since January. In addition, factory orders rose 1.9 percent in June following a 2.1 percent gain in May. Much of the increase in both months, however, was in defense equipment.

GNP Growth Weak

The Gross National Product (GNP) for the second quarter of 1985 grew at a weak annual rate of 1.7 percent and the growth rate for the first six months was a mere 1 percent. In 1984 the GNP rose 6.8 percent. One factor in the low rise in the GNP in the latest quarter was a sharply lower rate of inventory investment which cut orders, jobs, and output. If the downward inventory adjustment is now over as some economists suspect, it will lead to an expansion in production in the months ahead since demand remains strong. Sales of goods and services rose 5.1 percent in the second quarter. Even adjusted for imports, sales were up 4.2 percent.

Economists See No Recession

A consensus forecast of 50 economists predicts GNP growth in 1986 will average 2.9 percent, little changed from the 2.8 percent growth rate forecast for 1985. Few of the economists were predicting a recession soon.

Personal Income Advances

Personal income in the United States rose 0.5 percent in June, following a decline of 0.5 percent in May and a gain of 1 percent in April. The April and May changes were affected by unusual developments. Specifically, large subsidy payments to farmers and retroactive wage payments to postal workers in April. Without these payments personal income would have increased 0.2 percent in April and 0.4 percent in May.

Housing Indicators Stable

National housing starts in June were estimated at a seasonally adjusted annual rate of 1.7 million units, up from 1.67 million units in May. The number of building permits issued, however, slipped from 1.78 million units in May to 1.71 million units in June. Building permits are an indication of future construction activity.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	<u>INDEXES</u>			<u>PERCENT CHANGE</u> Year Ending	
	<u>June</u> <u>1985</u>	<u>May</u> <u>1985</u>	<u>June</u> <u>1984</u>	<u>June</u> <u>1985</u>	<u>May</u> <u>1985</u>
U.S. City Average	322.3	321.3	310.7	+3.7	+3.7
Seattle-Everett	N/A	321.0	N/A	N/A	+2.6

AREA WAGE SURVEY REPORT AVAILABLE FOR KITSAP COUNTY

The Wage Analysis Unit of the Labor Market and Economic Analysis Branch recently completed an Occupational wage survey for Kitsap County. The survey report, based upon data from 159 establishments, presents wage ranges and averages for clerical, managerial, professional, technical, and general occupations. The report, titled "AREA WAGE SURVEY, KITSAP COUNTY, MAY 1985" is available on request from Labor Market and Economic Analysis, P.O. Box 46502, Seattle, Washington 98146. Phone (206) 764-6453.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED

	Jun. 1985 (Prel.)	May. 1985 (Rev.)	Jun. 1984 (Rev 4/)	May. 1984 (Rev 4/)	Numerical Change	
					May. 85 to Jun. 85	Jun. 84 to Jun. 85
TOTAL NONAG. WAGE AND SALARY.	1,702.7	1,683.3	1,658.4	1,638.7	+19.4	+44.3
TOTAL MANUFACTURING.....	289.5	288.9	287.3	284.8	+0.6	+2.2
Durable Goods.....	201.4	200.5	198.8	198.1	+0.9	+2.6
Lumber & Wood Products....	38.2	37.4	42.4	42.1 3/	+0.8	-4.2
Furniture & Fixtures.....	3.2	3.2	3.3	3.4	0.0	-0.1
Stone Clay & Glass Prod...	6.4	6.4	6.6	6.3	0.0	-0.2
Primary Metal Industries..	12.0	12.1	13.1	13.4	-0.1	-1.1
Aluminum Prod. & Proc.....	7.9	8.1	8.4	8.7	-0.2	-0.5
Fabricated Metal Prod.....	10.1	9.9	9.8	9.6	+0.2	+0.3
Machinery.....	27.8	27.8	27.9	28.2	0.0	-0.1
Machinery exc. Elect.....	15.7	15.7	16.5	16.8	0.0	-0.8
Electrical & Electronic...	12.1	12.1	11.4	11.4	0.0	+0.7
Transportation Equipment..	88.6	88.7	81.0	80.6	-0.1	+7.6
Aerospace.....	75.2	74.9	65.5	64.6	+0.3	+9.7
Other Transp. Equip.....	13.4	13.8	15.5	16.0	-0.4	-2.1
Instruments & Rel. Prod...	10.6	10.5	10.2	10.0	+0.1	+0.4
Misc. Manufacturing Ind...	4.5	4.5	4.5	4.5	0.0	0.0
Nondurable Goods.....	88.1	88.4	88.5	86.7	-0.3	-0.4
Food & Kindred Products...	30.6	30.3	31.1	30.2	+0.3	-0.5
Canned & Preserved Foods.	11.4	11.3	11.5	10.9	+0.1	-0.1
Apparel & Other Text. Prod.	5.8	6.3	6.5	6.3	-0.5	-0.7
Paper & Allied Products...	15.8 3/	16.0	16.3	16.0	-0.2	-0.5
Printing & Publishing.....	17.2	17.2	16.7	16.5	0.0	+0.5
Chemicals & Allied Prod...	11.3	11.1	10.7	10.6	+0.2	+0.6
Other Nondurable Goods 2/.	7.4	7.5	7.2 3/	7.1 3/	-0.1	+0.2
MINING & QUARRYING.....	2.8	2.7	2.7	2.6	+0.1	+0.1
CONSTRUCTION.....	83.1	79.2	80.2	75.7	+3.9	+2.9
TRANS. & PUBLIC UTILITIES...	91.6 3/	90.9 3/	91.3	89.8	+0.7	+0.3
WHOLESALE & RETAIL TRADE...	422.2	414.3	407.9	400.4	+7.9	+14.3
Wholesale Trade.....	106.4	103.8	103.1	101.4	+2.6	+3.3
Retail Trade.....	315.8	310.5	304.8	299.0	+5.3	+11.0
FIN. INS. & REAL ESTATE....	97.3	96.4	95.6	94.6	+0.9	+1.7
SERVICES.....	368.3	365.7	353.6	350.2	+2.6	+14.7
GOVERNMENT.....	347.9	345.2	339.8	340.6	+2.7	+8.1
Federal.....	70.8	69.7	69.5	68.5	+1.1	+1.3
State & Local.....	277.1	275.5	270.3	272.1	+1.6	+6.8
Education.....	145.9	149.9	144.5	149.4	-4.0	+1.4
(WORKERS IN LABOR-MANAGEMENT DISPUTES).....	1.3	0.7	0.2	0.3	+0.6	+1.1

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

4/ Revised in May 1985 due to corrections involving Education. The 1983 and 1984 annual tables have been revised and are available.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: July 26, 1985
Benchmark: 1984

(Not Seasonally Adjusted)

	June 1985 Preliminary 1/				May 1985 Revised 1/				June 1984 Revised			
	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate
Washington State Total	2,139,900	1,963,900	176,000	8.2	2,110,800	1,935,900	174,900	8.3	2,096,600	1,909,300	187,300	8.9
Bellingham MSA	52,900	48,100	4,800	9.1	52,100	47,100	5,000	9.6	51,100	46,000	5,100	10.0
Bremerton MSA	66,200	61,900	4,300	6.5	65,600	61,500	4,100	6.3	65,300	60,800	4,500	6.9
Olympia MSA	63,400	58,100	5,300	8.4	62,700	57,500	5,200	8.3	61,400	55,600	5,800	9.4
Seattle PMSA	954,600	888,100	66,500	7.0	942,700	878,600	64,100	6.8	924,200	854,600	69,600	7.5
Spokane MSA	163,100	150,500	12,600	7.7	162,400	149,900	12,500	7.7	161,300	148,900	12,400	7.7
Tacoma PMSA	197,200	179,600	17,600	8.9	196,200	178,800	17,400	8.9	193,900	175,000	18,900	9.7
Tri-Cities MSA 2/	75,300	68,500	6,800	9.0	74,300	67,500	6,800	9.2	76,800	67,700	9,100	11.8
Vancouver PMSA	95,800	86,400	9,400	9.8	94,900	86,500	8,400	8.9	94,000	84,900	9,100	9.7
Yakima MSA	89,400	79,400	10,000	11.2	87,800	76,700	11,100	12.6	88,000	76,300	11,700	13.3
Adams	8,270	7,610	660	8.0	7,900	7,190	710	9.0	8,230	7,330	900	10.9
Asotin	8,530	7,880	650	7.6	8,420	7,690	730	8.7	8,360	7,680	680	8.1
Clallam	19,560	17,290	2,270	11.6	19,020	17,020	2,000	10.5	20,070	17,840	2,230	11.1
Columbia	2,930	2,750	180	6.1	2,900	2,720	180	6.2	2,790	2,590	200	7.2
Cowlitz	33,600	29,360	4,240	12.6	33,380	29,100	4,280	12.8	33,630	29,840	3,790	11.3
Ferry	2,770	2,430	340	12.3	2,710	2,330	380	14.0	2,700	2,320	380	14.1
Garfield	1,400	1,310	90	6.4	1,320	1,230	90	6.8	1,410	1,310	100	7.1
Grant	26,790	23,500	3,290	12.3	25,250	22,090	3,160	12.5	25,970	23,020	2,950	11.4
Grays Harbor	29,420	26,340	3,080	10.5	28,820	25,600	3,220	11.2	29,950	26,180	3,770	12.6
Island	17,260	15,900	1,360	7.9	16,750	15,470	1,280	7.6	16,010	14,680	1,330	8.3
Jefferson	6,900	6,330	570	8.3	6,670	6,100	570	8.5	6,950	6,360	590	8.5
Kittitas	11,730	10,720	1,010	8.6	11,260	10,030	1,230	10.9	11,950	10,570	1,380	11.5
Klickitat	7,320	6,310	1,010	13.8	7,160	6,050	1,110	15.5	7,570	6,550	1,020	13.5
Lewis	24,460	21,590	2,870	11.7	24,180	21,250	2,930	12.1	25,350	22,220	3,130	12.3
Lincoln	5,330	5,090	240	4.5	5,030	4,760	270	5.4	5,260	5,010	250	4.8
Mason	11,910	10,990	920	7.7	11,660	10,740	920	7.9	11,240	10,120	1,120	10.0
Okanogan	14,690	12,500	2,190	14.9	14,260	12,080	2,180	15.3	15,700	13,460	2,240	14.3
Pacific	6,760	5,850	910	13.5	6,670	5,680	990	14.8	7,050	6,020	1,030	14.6
Pend Oreille	4,310	3,630	680	15.8	4,250	3,520	730	17.2	4,630	4,090	540	11.7
San Juan	4,490	4,260	230	5.1	4,070	3,800	270	6.6	4,390	4,150	240	5.5
Skagit	34,410	30,750	3,660	10.6	33,330	29,310	4,020	12.1	33,240	28,790	4,450	13.4
Skamania	2,930	2,470	460	15.7	2,840	2,370	470	16.5	2,680	2,290	390	14.6
Stevens	12,530	10,960	1,570	12.5	12,040	10,380	1,660	13.8	12,720	11,210	1,510	11.9
Wahkiakum	1,260	1,150	110	8.7	1,210	1,080	130	10.7	1,270	1,130	140	11.0
Walla Walla	27,140	25,600	1,540	5.7	26,510	24,920	1,590	6.0	26,890	25,010	1,880	7.0
Wenatchee Labor Area 3/	39,420	35,330	4,090	10.4	37,340	32,730	4,610	12.3	37,800	33,370	4,430	11.7
Whitman	15,990	15,500	490	3.1	17,070	16,520	550	3.2	17,060	16,480	580	3.4

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

2/ The Tri-Cities MSA encompasses Benton and Franklin Counties.

3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

NOTE: Detail may not add due to rounding.

(Not Seasonally Adjusted)

	June 1985 Preliminary 1/				May 1985 Revised 1/			
	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate
Washington State Total	2,142,600	1,968,800	173,800	8.1	2,126,600	1,950,900	175,700	8.3
Bellingham MSA	53,000	48,200	4,800	9.1	52,500	47,500	5,000	9.5
Bremerton MSA	66,200	62,000	4,200	6.3	66,100	62,000	4,100	6.2
Olympia MSA	63,400	58,200	5,200	8.2	63,200	57,900	5,300	8.4
Seattle PMSA	956,000	890,300	65,700	6.9	949,800	885,400	64,400	6.8
King County	751,600	700,300	51,300	6.8	746,000	696,500	49,500	6.6
Snohomish County	204,300	189,900	14,400	7.0	203,900	188,900	15,000	7.4
Spokane MSA	163,400	150,900	12,500	7.6	163,700	151,100	12,600	7.7
Tacoma PMSA	197,400	180,000	17,400	8.8	197,700	180,200	17,500	8.9
Tri-Cities MSA 2/	75,500	68,700	6,800	9.0	74,800	68,000	6,800	9.1
Vancouver PMSA	95,900	86,600	9,300	9.7	95,600	87,200	8,400	8.8
Yakima MSA	89,500	79,600	9,900	11.1	88,400	77,300	11,100	12.6
Adams	8,280	7,630	650	7.9	7,960	7,250	710	8.9
Asotin	8,550	7,900	650	7.6	8,480	7,750	730	8.6
Clallam	19,580	17,340	2,240	11.4	19,160	17,150	2,010	10.5
Columbia	2,930	2,750	180	6.1	2,920	2,740	180	6.2
Cowlitz	33,620	29,430	4,190	12.5	33,620	29,320	4,300	12.8
Ferry	2,780	2,440	340	12.2	2,740	2,350	390	14.2
Garfield	1,410	1,320	90	6.4	1,330	1,240	90	6.8
Grant	26,810	23,560	3,250	12.1	25,440	22,260	3,180	12.5
Grays Harbor	29,440	26,400	3,040	10.3	29,020	25,790	3,230	11.1
Island	17,280	15,940	1,340	7.8	16,880	15,590	1,290	7.6
Jefferson	6,910	6,350	560	8.1	6,710	6,140	570	8.5
Kittitas	11,740	10,740	1,000	8.5	11,340	10,110	1,230	10.8
Klickitat	7,310	6,320	990	13.5	7,210	6,100	1,110	15.4
Lewis	24,480	21,640	2,840	11.6	24,370	21,420	2,950	12.1
Lincoln	5,340	5,100	240	4.5	5,070	4,800	270	5.3
Mason	11,930	11,020	910	7.6	11,750	10,820	930	7.9
Okanogan	14,700	12,540	2,160	14.7	14,360	12,170	2,190	15.3
Pacific	6,760	5,860	900	13.3	6,710	5,720	990	14.8
Pend Oreille	4,310	3,640	670	15.5	4,290	3,550	740	17.2
San Juan	4,500	4,270	230	5.1	4,100	3,830	270	6.6
Skagit	34,450	30,830	3,620	10.5	33,580	29,540	4,040	12.0
Skamania	2,940	2,480	460	15.6	2,860	2,390	470	16.4
Stevens	12,530	10,980	1,550	12.4	12,120	10,460	1,660	13.7
Wahkiakum	1,260	1,150	110	8.7	1,220	1,090	130	10.7
Walla Walla	27,180	25,660	1,520	5.6	26,710	25,110	1,600	6.0
Wenatchee Labor Area 3/	39,460	35,420	4,040	10.2	37,610	32,980	4,630	12.3
Whitman	16,030	15,540	490	3.1	17,190	16,640	550	3.2

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.

2/ Encompasses Benton and Franklin counties.

3/ Encompasses Chelan and Douglas counties.

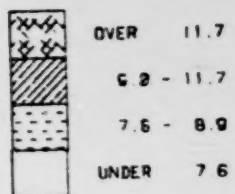
Note: Detail may not add due to rounding.

Labor Market and Economic Analysis Branch

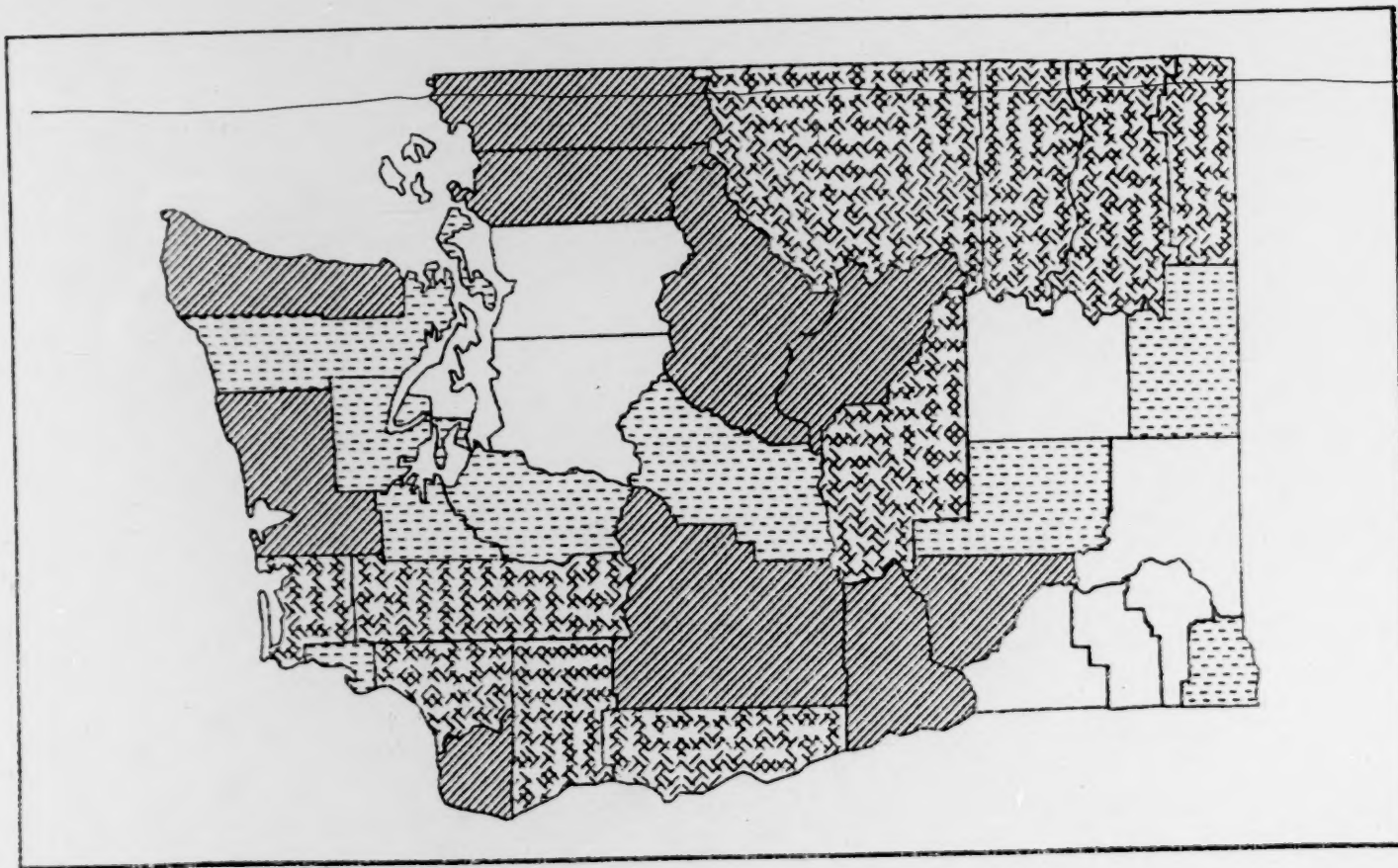
ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF
NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	JUN. 1985 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		JUN	MAY	JUN	JUN	MAY	JUN	JUN	MAY	JUN
		1985	1985	1984	1985	1985	1984	1985	1985	1984
TOTAL MANUFACTURING INDUSTRIES *	179,000	\$462.13	\$454.33	\$456.27	39.6	39.2	39.3	\$11.67	\$11.59	\$11.61
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products.....	34,300	498.23	450.08	448.14	41.3	38.7	38.8	11.87	11.63	11.55
Primary metal industries.....	9,000	511.24	521.48	559.80	39.6	40.3	40.1	12.91	12.94	13.96
Fabricated metal products.....	7,400	448.41	462.95	477.47	39.3	39.3	41.7	11.41	11.78	11.45
Machinery.....	16,600	389.50	375.54	413.28	40.7	39.2	41.0	9.57	9.58	10.08
Food & kindred products.....	23,600	353.98	360.85	358.90	37.3	38.1	38.1	9.49	9.45	9.42
Chemicals & allied products...	5,300	555.49	565.65	559.85	41.3	41.5	43.5	13.45	13.63	12.87
SELECTED NONMANUFACTURING INDUSTRIES										
Construction.....	62,100	603.89	597.63	608.44	37.3	36.8	37.1	16.19	16.24	16.40
Wholesale and retail trade....	258,200	331.70	320.63	314.64	35.4	34.7	34.5	9.37	9.24	9.12

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.



JUNE UNEMPLOYMENT RATES





Washington State
Employment Security Department
Isiah Turner, Commissioner

Prepared by the
Labor Market and
Economic Analysis Branch
Olympia, WA 98504
(206) 753-5142

In cooperation with
the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 9, Number 8

August 1985

HIGHLIGHTS

Summer Layoffs at
Public Schools
Lowers Employment

Total employment in Washington State fell 30,300 between June and July largely because of the termination of thousands of noncertified public school employees for the summer, including cafeteria workers, bus drivers and other nonteaching personnel. Unemployment, however, remained relatively stable over the month, dropping from 175,100 to 174,300. Few of the terminated school employees were seeking new jobs for the summer. Most chose to wait to be recalled in September. Since they were not looking for work, they were not counted as unemployed. The temporary withdrawal of these individuals from the labor force,

	July 1985* (Prel.)	June 1985* (Rev.)	July 1984
Civilian			
Labor Force	2,109,300	2,140,400	2,063,200
Total Employment	1,935,000	1,965,300	1,874,500
Total Unemployment	174,300	175,100	188,700
State Unemployment			
Rate	8.3	8.2	9.1
National Civilian			
Unemployment Rate	7.4	7.5	7.5

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Unemployment Stable

however, did affect the jobless rate. With unemployment nearly the same in July as June, the decline in the size of the work force boosted the number of unemployed as a percentage of the labor force from 8.2 to 8.3 percent. The change was about normal for the period. After seasonal adjustment in fact, the unemployment rate edged down from 8.6 to 8.5 percent over the month.

Seasonal Gains In Food Processing and Construction

Nonagricultural wage and salary employment fell 21,000 in July. Aside from the seasonal decline in education, major changes included seasonal increases in food processing and construction and further growth in aerospace employment. The settlement of a labor dispute increased the job total in air transportation.

Strawberry Harvest Ends, Raspberry Harvest In Full Swing

Employment in agriculture declined with the completion of the strawberry harvest, the cherry harvest in the Yakima area, and the near completion of apple thinning. Harvest activity continued to furnish thousands of jobs in July, however, with the raspberry harvest in full swing, the cherry harvest at higher elevations and apricot picking. Cucumbers and other summer vegetables were also being harvested in several areas around the state.

Economy Strong--Overall

Problems persist in several of the state's manufacturing industries; especially lumber, aluminum, and shipbuilding. Nonetheless, a comparison of labor force statistics for this July with year ago data reveals a strong overall economy. Total employment in July was up 60,500 over the year with a gain of 48,000 in nonagricultural wage and salary employment. Services (up 15,800) and trade (up 13,900) posted the largest gains, but sizable expansions were also credited to construction (up 4,900) and aerospace (up 9,600).

The job expansion over the year was more than sufficient to provide employment to persons newly entering the state's labor force. The working age population of the state rose about 33,000 between 1984 and 1985, while labor force participation was also increasing. Nevertheless unemployment fell 14,400 over the year, and the unemployment rate dropped from 9.1 percent in July 1984 to 8.3 percent this July.

Local Area Developments

Unemployment rates in the state's three major metropolitan areas remained fairly stable between June and July, but there were substantial changes in other areas. The jobless rate in the Seattle area fell from 6.9 to 6.8 percent, while Spokane's rate rose one-tenth of a point to 7.7 percent in July. The rate in the Tacoma Metropolitan Area was unchanged over the month at 8.9 percent. Metropolitan areas with more pronounced changes included Vancouver and Yakima.

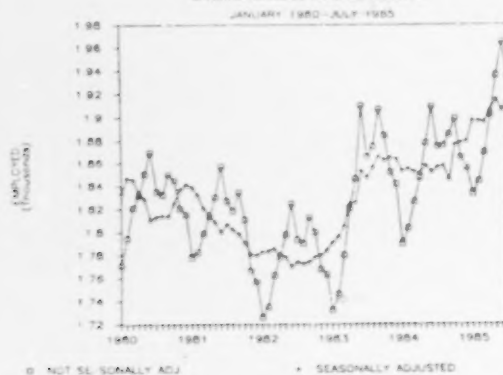
**Fewer Jobless in Vancouver
More Jobless in Yakima**

In the Vancouver area the unemployment rate dropped from 9.6 to 8.9 percent between June and July as some of the apparel workers laid off in June were recalled. In contrast, the jobless rate in the Yakima area rose from 11.2 to 13.4 percent over the month because of an earlier than usual completion of the cherry harvest and related packing-shipping activity. This year's sweet cherry crop in the Yakima area was down 50 percent from last year because of freezing weather this spring.

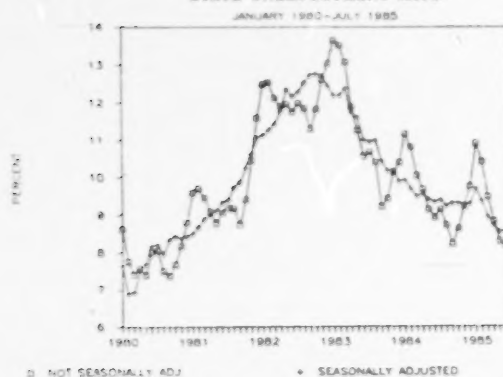
**Unemployment Unchanged
in Lumber Counties
But Up in Some
Agricultural Areas**

In the nonmetropolitan counties, the overall jobless rate for counties dependent on the lumber industry was unchanged over the month. There were significant changes in some agricultural counties, however, because of the volatile nature of crop harvests and related processing activity. In Columbia County the unemployment rate rose from 6.1 to 9.4 percent because of the completion of asparagus processing. Numerically, however, unemployment in this sparsely populated county rose only 30, from 180 to 210. The jobless rate in Walla Walla County increased from 5.7 to 6.5 percent over the month with potato processing over until this year's crop is harvested. Skagit County's unemployment rate, on the other hand, fell from 10.7 to 9.8 percent between June and July as canneries hired workers to process peas, raspberries and strawberries.

STATE TOTAL EMPLOYMENT



STATE UNEMPLOYMENT RATE



Manufacturing Industries

Factories Add 1,800 Workers In July

Manufacturing employment in Washington State rose 1,800 between June and July with the largest expansions in aerospace (up 1,000) and food products (up 800). Pulp and paper payrolls rose 300 and apparel added 200 as some workers were recalled after a layoff in June. The lumber industry posted a less than normal July increase of 100, while "other transportation equipment" fell 500 with the shipbuilding sector continuing to decline.

Manufacturing Up 5,600 Over The Year Thanks to Aerospace

Over the year, manufacturing employment rose 5,600 in Washington State. Aerospace alone added 9,600, but its gain was partially offset by losses in lumber (off 3,800), primary metals (off 1,200), and "other transportation equipment"--mainly shipbuilding (off 2,100). Although relatively small, expansions were also noted in fabricated metals, electronic equipment, instruments, printing-publishing and chemicals.

Foreign Competition Stiff for Manufacturers

Manufacturing firms nationally and in this state continue to face stiff competition from foreign firms. A major factor has been the increase in the value of the dollar in relation to other currencies, which makes U.S. goods more expensive than goods manufactured abroad. According to the U.S. Department of Commerce, the value of the U.S. dollar has increased 53 percent against other currencies from its 1980 low to its peak last February. Reflecting the increased value of the dollar, the U.S. balance of trade in manufactured products dropped from a \$17.4 billion surplus in 1980 to a deficit of \$80.7 billion in 1984. According to the U.S. Treasury Secretary, the increased value of the dollar accounted for between one-third and one-half of the overall trade deficit. Other factors cited were the relatively strong recovery in the U.S. economy, reduced foreign purchases by cash-short developing countries, and restricted U.S. access to Japanese and other foreign markets. One positive result of the manufacturing import glut is the easing of inflation. Lower priced foreign goods have helped keep the lid on the prices of American made products.

Boeing to Add 2,600

Developments in aerospace continue to brighten the employment outlook in Washington State. The Boeing Company announced in early August that it would add 2,600 workers in the Puget Sound area by the end of the year. According to company officials the outlook in the commercial airplane business continues to improve. Boeing now expects to deliver 200 planes this year instead of the 194 originally forecast. Air passenger traffic has increased over the year and the surplus of used airliners has now been absorbed. This has significantly boosted the demand for new aircraft.

Shipbuilding Outlook Grim

In contrast to aerospace, the outlook in shipbuilding continues to deteriorate. Employment in "other transportation equipment," mainly shipbuilding, dropped another 500 in July and was 2,100 below its year-earlier level. Prospects for the industry are gloomy. In the past four years 25 of the nation's 110 shipyards have closed, and the Shipbuilders Council of America expects another 35 yards to shut down by the end of the decade. Foreign competition is a major factor in the decline of the industry in the United States. According to the International Trade Commission, South Korea and Japan can build the same commercial ship twice as fast as any American shipyard at half the cost. Korean shipyard workers are paid \$2 an hour while American shipworkers average \$11 an hour. The Korean government also offers favorable financial terms to companies which have ships built there. Domestically, West Coast shipyards are at a competitive disadvantage because of higher wage rates than paid in East Coast and Gulf Coast shipyards.

Fire Hazard Conditions Curtail Logging

Lumber employment rose 100 in July, but well below seasonal expectations. Aside from continuing competition from Canada, fire hazard conditions in logging areas due to hot-dry weather caused numerous temporary shutdowns in July. Average weekly hours in the lumber and wood products industry fell from 40.6 hours in June to 34.7 hours in July as a result. Average weekly earnings were also down sharply, from \$481.11 to \$404.26.

Longview Mill To Reopen

Favorable news in the industry was the reopening of the Exeter sawmill in Longview following the acceptance of a new contract by its employees. Approximately 20 workers were to return to work in August. The mill will be converted to cut hardwood exclusively. About 100 more workers will be recalled once the mill is reconstructed. The mill, part of the Northwest Hardwood Division of The Weyerhaeuser Company, had employed up to 150 workers before its shut down in April.

Food Processing Employment Up But Lucky Lager Brewery to Close

Employment in food processing rose 800 in July. The increase was seasonal, but greater than normal. Cool weather in June and exceptionally hot weather in July resulted in an overlap in the processing of peas, strawberries and raspberries. A more significant development was the announced closure of the 129 year-old Lucky Lager Brewery in Vancouver. Brewing was stopped in August, and the plant will close when inventories are depleted. The plant is owned by the same firm which owns the Olympia Brewery. Brands formerly produced in the Lucky Brewery will now be brewed at the Olympia plant. The Olympia Brewery is operating well below capacity.

Pulp Employment Up,
Strike Ends

Employment in pulp and paper products rose 300 in July mainly because of the recall of laid off workers. Approximately 400 workers in the industry were involved in a labor dispute in June and July. The dispute, however, has since been settled, which will be reflected in the August employment estimate for the industry.

Fairchild Chooses Japan
For Expansion

Fairchild Camera and Instrument Corporation has decided to expand its microchip manufacturing in Japan rather than build a second computer chip plant in Puyallup. At least for the immediate future, the decision means that Fairchild will employ 1,000 workers in Puyallup rather than the 3,000 originally planned. Once a strongly positive element in the U.S. balance of trade, computer and electronics equipment is now contributing to the trade deficit.

Aluminum Down
Mead Workers Accept
New Agreement
Goldendale Workers
Reject Concessions

Aluminum employment dropped another 100 in July and was down 600 over the year. Kaiser Aluminum workers at the Mead smelter agreed to a cost-cutting agreement by a margin of 294 to 253, which will result in a decline of 86 workers this fall through attrition and early retirements. After the agreement, the company accepted an offer from the Bonneville Power Administration for power to serve four potlines at Mead and two and one-half potlines in Tacoma for the next ten months.

Union workers at the Goldendale plant of the Commonwealth Aluminum Company, on the other hand, rejected a contract offer which proposed a \$1.80 decrease in the basic hourly wage rate, the elimination of four paid holidays, extended vacations, and cost-of-living pay.

Nonmanufacturing Industries

Education Payrolls
Down, Youth Employment
Programs Expand

The major change in the nonmanufacturing industries in July was the termination of thousands of bus drivers, cafeteria workers, teaching aids and other noncertificated public school employees for the summer. Teachers with contracts are considered employed year around since they are paid on a twelve-month basis. Employment in public education dropped 32,500 as a result of the summer layoffs. The hiring of summer employees at parks, forests, and playgrounds offset some of the cutback in public education. Employment also expanded between June and July in special summer programs for youth (Youth Conservation Corps, Work-Experience Program, etc.). Over 6,700 youth were employed in these programs during July.

Vacation-Replacement
Workers Hired

Services employment also fell in July because of the end of the regular school year, in this case because of layoffs at private schools and colleges which are included in the services classification. Summer layoffs were also reported by pre-schools. The decline in services overall

was limited to 600 because of growth in other service industries. Hotels and motels added workers because of increasing tourist business. Temporary employment agencies hired workers needed by businesses to replace regular vacationing workers.

Services Leads
Year-To-Year
Expansion

The services industry added 15,800 workers over the year to lead the expansion in the state. Business services rose 5,700 to post the largest gain. The major gain in this classification was at temporary help agencies, which has developed into a growth industry. Employment by these firms rose 2,000 over the year. Health services rose 3,600 over the year with most of the gain at the offices of physicians, dentists and other health practitioners. Employment at hospitals declined slightly over the year. The decline at hospitals represents a sharp change from several years of growth. The reversal likely reflects over expansion in recent years and competition from medical clinics.

Hospital Employment Down

Trade Employment Slips

Following an increase of 7,900 in June, employment in wholesale and retail trade slipped 200 in July. Service stations added workers because of increased tourist business but apparel stores cut back following June sales. Restaurants that contract with schools to provide food services also laid off employees.

Fast Food Restaurants
Still Growing

Employment in trade expanded substantially over the year, adding 13,900 new jobs. Over one-half of the gain was at eating and drinking places, mainly fast food restaurants where growth shows no sign of slowing. Food stores, automobile dealers and service stations also posted healthy gains over the year. General merchandise and apparel stores, however, reported no change over the 12-month period.

National Retail Sales
Up In July

The U.S. Department of Commerce reported national retail sales rose 0.4 percent in July to post the first gain since April. The July increase occurred despite a 0.5 percent drop in car sales for the month. According to the Commerce Department, high levels of consumer confidence and lower interest rates should lead to further gains in the second half of the year.

Construction Continues
Expansion But
Homebuilding Lags

Employment in the building trades rose 3,500 in July and was up 4,900 over the year. Street, highway and commercial building activity was responsible for the expansion. Homebuilding continues to show little growth despite lower interest rates. Job losses and pay reductions in several of the state's manufacturing industries are discouraging purchases of new homes.

United Airlines Strike Over

Elsewhere in nonmanufacturing, employment in transportation, communications and utilities rose 1,500 in July. Much of the increase was due to the settlement of the United Airlines strike, but transportation services in general rose seasonally. Partially offsetting the expansion, however, was the termination of bus drivers by firms which contract with public schools to provide transportation services.

The National Context

Leading Indicators Up

National economic data continued to send out mixed signals in July. The Index of Leading Economic Indicators rose again, moving up 0.4 percent in July. Rising money supply accounted for almost one-half of the increase, while higher stock market prices were also an important factor. Contracts and orders for plant and equipment, building permits and sensitive material prices, however, were lower.

GNP Growth Slow

The Gross National Product (GNP) for the second quarter 1985 increased at a 2.0 percent annual rate, well below original expectations. When the year began the national administration and most private economists were forecasting a gain of 4 percent in 1985. The GNP rose 6.8 percent in 1984. A major reason for the slowdown has been the rising trade deficit. Sharply higher imports have reduced sales by domestic manufacturers and forced cutbacks in production. Since January, manufacturing employment in the United States has declined 223,000.

In July the trade deficit narrowed sharply, but analysts view this as temporary and a reflection of a sluggish economy. Imports fell sharply, but one-third of the decline was due to a drop in petroleum imports. The decline in the dollar's exchange-rate value of about 20 percent since February is not expected to affect exports or imports until next year according to many economists. Eventually the dollar's decline, however, will reduce the trade deficit by making imports more expensive and U.S. exports less costly in foreign nations.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	<u>INDEXES</u>			<u>PERCENT CHANGE</u>	
	July <u>1985</u>	June <u>1985</u>	July <u>1984</u>	Year Ending July <u>1985</u>	June <u>1985</u>
U.S. City Average	322.8	322.3	311.7	+3.6	+3.7
Seattle-Everett	322.0	xx	314.3	+2.4	N/A

CHANGES IN FREQUENCY OF PUBLICATION FOR LOCAL AREA CPIs TO BEGIN IN 1987

The Bureau of Labor Statistics will improve the sample of urban areas in which it gathers prices for the Consumer Price Index beginning in 1987. At the same time, the Bureau will publish a number of local area CPI's less frequently, including that for the Seattle-Everett area. The index for the Seattle-Everett area will be published on a semi-annual average basis beginning in 1987 rather than bi-monthly. The changes in publication frequency arise from the requirement to allocate the sample to reflect population shifts in the 1980 Census so as to provide the most accurate national CPI possible with the funds available. As a result, some local areas will no longer have samples sufficient to permit more frequent publication.

NOTE ON USE OF CPI DATA IN ESCALATOR CLAUSES

Local area CPI indexes are by-products of the national CPI program. Because each local index is a small subset of the national index, it has a smaller sample size and is, therefore, subject to substantially more sampling and other measurement error than the national index. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. Therefore, the Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in the escalator clauses.

(In Thousands)

NOT SEASONALLY ADJUSTED					Numerical Change	
	Jul. 1985 (Prel.)	Jun. 1985 (Rev.)	Jul. 1984 (Rev 4/)	Jun. 1984 (Rev 4/)	Jun. 85 to Jul. 85	Jul. 84 to Jul. 85
TOTAL NONAG. WAGE AND SALARY.	1,682.9	1,704.0	1,634.9	1,658.4	-21.1	+48.0
TOTAL MANUFACTURING.....	292.5	290.7	286.9	287.3	+1.8	+5.6
Durable Goods.....	202.6	202.1	198.8	198.8	+0.5	+3.8
Lumber & Wood Products....	38.6	38.5	41.7	42.4	+0.1	-3.1
Furniture & Fixtures.....	3.1	3.2	3.3	3.3	-0.1	-0.2
Stone Clay & Glass Prod...	6.4	6.4	6.6	6.6	0.0	-0.2
Primary Metal Industries..	12.0	12.0	13.2	13.1	0.0	-1.2
Aluminum Prod. & Proc.....	7.8	7.9	8.4	8.4	-0.1	-0.6
Fabricated Metal Prod.....	10.4	10.2	9.9	9.8	+0.2	+0.5
Machinery.....	28.0	28.0	27.7	27.9	0.0	+0.3
Machinery exc. Elect.....	15.9	15.9	16.1	16.5	0.0	-0.2
Electrical & Electronic..	12.1	12.1	11.6	11.4	0.0	+0.5
Transportation Equipment..	89.1	88.6	81.6	81.0	+0.5	+7.5
Aerospace.....	76.1	75.1	66.5	65.5	+1.0	+9.6
Other Transp. Equip.....	13.0	13.5	15.1	15.5	-0.5	-2.1
Instruments & Rel. Prod...	10.6	10.6	10.3	10.2	0.0	+0.3
Misc. Manufacturing Ind...	4.4	4.6	4.5	4.5	-0.2	-0.1
Nondurable Goods.....	89.9	88.6	88.1	88.5	+1.3	+1.8
Food & Kindred Products...	31.6	30.8	31.0	31.1	+0.8	+0.6
Canned & Preserved Foods.	12.3	11.5	10.8	11.5	+0.8	+1.5
Apparel & Other Text. Prod.	6.2	6.0	6.3	6.5	+0.2	-0.1
Paper & Allied Products...	16.2 3/	15.9 3/	16.7	16.3	+0.3	-0.5
Printing & Publishing.....	17.1	17.2	16.6	16.7	-0.1	+0.5
Chemicals & Allied Prod...	11.4	11.3	10.3	10.7	+0.1	+1.1
Other Nondurable Goods 2/.	7.4	7.4	7.2 3/	7.2 3/	0.0	+0.2
MINING & QUARRYING.....	2.8	2.8	2.8	2.7	0.0	0.0
CONSTRUCTION.....	86.7	83.2	81.8	80.2	+3.5	+4.9
TRANS. & PUBLIC UTILITIES...	93.1	91.6 3/	92.1	91.3	+1.5	+1.0
WHOLESALE & RETAIL TRADE...	422.0	422.2	408.1	407.9	-0.2	+13.9
Wholesale Trade.....	106.5	106.5	104.1	103.1	0.0	+2.4
Retail Trade.....	315.5	315.7	304.0	304.8	-0.2	+11.5
FIN. INS. & REAL ESTATE....	97.8	97.2	95.8	95.6	+0.6	+2.0
SERVICES.....	367.6	368.3	351.8	353.6	-0.7	+15.8
GOVERNMENT.....	320.4	348.0	315.6	339.8	-27.6	+4.8
Federal.....	71.3	70.7	70.8	69.5	+0.6	+0.5
State & Local.....	249.1	277.3	244.8	270.3	-28.2	+4.3
Education.....	113.4	145.9	111.3	144.5	-32.5	+2.1
(WORKERS IN LABOR-MANAGEMENT DISPUTES).....	0.4	1.3	0.2	0.2	-0.9	+0.2

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

4/ Revised in May 1985 due to corrections involving Education. The 1983 and 1984 annual tables have been revised and are available.

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: August 26, 1985
Benchmark: 1984

(Not Seasonally Adjusted)

	July 1985 Preliminary 1/				June 1985 Revised 1/				July 1984 Revised			
	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate
Washington State Total	2,109,300	1,935,000	174,300	8.3	2,140,400	1,965,300	175,100	8.2	2,063,200	1,874,500	188,700	9.1
Bellingham MSA	54,600	49,700	4,900	9.0	53,000	48,200	4,800	9.1	51,100	46,000	5,100	10.0
Bremerton MSA	65,000	60,900	4,100	6.3	66,100	61,900	4,200	6.4	64,100	59,700	4,400	6.9
Olympia MSA	61,400	56,100	5,300	8.6	63,400	58,100	5,300	8.4	59,800	53,900	5,900	9.9
Seattle PMSA	949,000	884,600	64,400	6.8	954,500	888,300	66,200	6.9	912,900	845,000	67,900	7.4
Spokane MSA	159,500	147,200	12,300	7.7	162,900	150,500	12,400	7.6	157,500	145,200	12,300	7.8
Tacoma PMSA	194,900	177,500	17,400	8.9	196,500	179,100	17,400	8.9	191,500	172,600	18,900	9.9
Tri-Cities MSA 2/	71,700	64,500	7,200	10.0	75,500	68,600	6,900	9.1	72,700	62,400	10,300	14.2
Vancouver PMSA	94,200	85,800	8,400	8.9	97,300	88,000	9,300	9.6	92,900	83,400	9,500	10.2
Yakima MSA	89,000	77,100	11,900	13.4	89,400	79,400	10,000	11.2	88,900	76,900	12,000	13.5
Adams	7,460	6,630	830	11.1	8,350	7,680	670	8.0	7,380	6,300	1,080	14.6
Asotin	8,240	7,650	590	7.2	8,530	7,880	650	7.6	8,140	7,480	660	8.1
Clallam	19,250	17,000	2,250	11.7	19,540	17,270	2,270	11.6	20,180	17,660	2,520	12.5
Columbia	2,240	2,030	210	9.4	2,930	2,750	180	6.1	1,790	1,570	220	12.3
Cowlitz	32,740	28,570	4,170	12.7	33,560	29,370	4,190	12.5	32,940	29,120	3,820	11.6
Ferry	2,640	2,310	330	12.5	2,780	2,430	350	12.6	2,530	2,170	360	14.2
Garfield	1,200	1,120	80	6.7	1,410	1,320	90	6.4	1,210	1,130	80	6.6
Grant	24,090	21,070	3,020	12.5	26,500	23,220	3,280	12.4	23,310	19,680	3,630	15.6
Grays Harbor	28,730	25,620	3,110	10.8	29,410	26,340	3,070	10.4	29,840	25,940	3,890	13.0
Island	16,930	15,660	1,270	7.5	17,250	15,920	1,330	7.7	15,680	14,400	1,280	8.2
Jefferson	6,810	6,240	570	8.4	6,910	6,340	570	8.2	6,840	6,240	600	8.8
Kittitas	10,140	9,190	950	9.4	11,740	10,720	1,020	8.7	10,710	9,470	1,240	11.6
Klickitat	6,740	5,830	910	13.5	7,310	6,310	1,000	13.7	6,990	6,180	810	11.6
Lewis	23,840	20,930	2,910	12.2	24,470	21,610	2,860	11.7	24,470	21,320	3,150	12.9
Lincoln	4,570	4,360	210	4.6	5,330	5,090	240	4.5	4,540	4,350	190	4.2
Mason	12,220	11,110	1,110	9.1	12,150	11,240	910	7.5	11,210	10,100	1,110	9.9
Okanogan	14,950	12,630	2,320	15.5	14,670	12,500	2,170	14.8	16,070	13,330	2,740	17.1
Pacific	6,760	5,850	910	13.5	6,800	5,890	910	13.4	7,210	6,170	1,040	14.4
Pend Oreille	4,070	3,460	610	15.0	4,310	3,630	680	15.8	4,410	3,930	480	10.9
San Juan	4,760	4,550	210	4.4	4,500	4,270	230	5.1	4,760	4,560	200	4.2
Skagit	37,640	33,970	3,670	9.8	34,250	30,590	3,660	10.7	37,170	32,500	4,670	12.6
Skamania	2,750	2,370	380	13.8	2,910	2,470	440	15.1	2,560	2,170	390	15.2
Stevens	11,590	10,270	1,320	11.4	12,520	10,960	1,560	12.5	12,000	10,480	1,520	12.7
Wahkiakum	1,190	1,060	130	10.9	1,270	1,150	120	9.4	1,360	1,190	170	12.5
Walla Walla	25,820	24,150	1,670	6.5	27,160	25,610	1,550	5.7	25,640	23,790	1,850	7.2
Wenatchee Labor Area 3/	38,290	34,060	4,230	11.0	39,170	35,070	4,100	10.5	38,140	33,840	4,300	11.3
Whitman	14,320	13,890	430	3.0	16,000	15,510	490	3.1	14,730	14,290	440	3.0

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

2/ The Tri-Cities MSA encompasses Benton and Franklin Counties.

3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

NOTE: Detail may not add due to rounding.

(Not Seasonally Adjusted)

	July 1985 Preliminary 1/				June 1985 Revised 1/			
	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate
Washington State Total	2,102,900	1,937,700	165,200	7.9	2,143,000	1,970,000	173,000	8.1
Bellingham MSA	54,400	49,800	4,600	8.5	53,100	48,300	4,800	9.0
Bremerton MSA	64,900	61,000	3,900	6.0	66,300	62,100	4,200	6.3
Olympia MSA	61,200	56,200	5,000	8.2	63,500	58,300	5,200	8.2
Seattle PMSA	947,000	885,900	61,100	6.5	955,800	890,400	65,400	6.8
King County	743,900	696,900	47,000	6.3	751,600	700,500	51,100	6.8
Snohomish County	203,100	189,000	14,100	6.9	204,400	190,000	14,400	7.0
Spokane MSA	159,000	147,400	11,600	7.3	163,200	150,900	12,300	7.5
Tacoma PMSA	194,200	177,700	16,500	8.5	196,700	179,500	17,200	8.7
Tri-Cities MSA 2/	71,400	64,600	6,800	9.5	75,600	68,800	6,800	9.0
Vancouver PMSA	94,000	86,000	8,000	8.5	97,300	88,200	9,100	9.4
Yakima MSA	88,500	77,200	11,300	12.8	89,500	79,600	9,900	11.1
Adams	7,430	6,640	790	10.6	8,360	7,700	660	7.9
Asotin	8,220	7,660	560	6.8	8,540	7,900	640	7.5
Clallam	19,150	17,020	2,130	11.1	19,550	17,310	2,240	11.5
Columbia	2,230	2,030	200	9.0	2,930	2,750	180	6.1
Cowlitz	32,560	28,610	3,950	12.1	33,570	29,440	4,130	12.3
Ferry	2,630	2,320	310	11.8	2,790	2,440	350	12.5
Garfield	1,190	1,120	70	5.9	1,410	1,320	90	6.4
Grant	23,960	21,100	2,860	11.9	26,520	23,280	3,240	12.2
Grays Harbor	28,600	25,660	2,940	10.3	29,440	26,400	3,040	10.3
Island	16,890	15,680	1,210	7.2	17,280	15,960	1,320	7.6
Jefferson	6,790	6,250	540	8.0	6,920	6,350	570	8.2
Kittitas	10,110	9,210	900	8.9	11,750	10,750	1,000	8.5
Klickitat	6,690	5,830	860	12.9	7,320	6,330	990	13.5
Lewis	23,720	20,960	2,760	11.6	24,480	21,660	2,820	11.5
Lincoln	4,560	4,360	200	4.4	5,330	5,100	230	4.3
Mason	12,170	11,120	1,050	8.6	12,170	11,270	900	7.4
Okanogan	14,850	12,650	2,200	14.8	14,670	12,530	2,140	14.6
Pacific	6,730	5,860	870	12.9	6,810	5,910	900	13.2
Pend Oreille	4,050	3,470	580	14.3	4,310	3,640	670	15.5
San Juan	4,750	4,550	200	4.2	4,500	4,280	220	4.9
Skagit	37,500	34,020	3,480	9.3	34,270	30,660	3,610	10.5
Skamania	2,730	2,370	360	13.2	2,920	2,480	440	15.1
Stevens	11,540	10,290	1,250	10.8	12,530	10,990	1,540	12.3
Wahkiakum	1,190	1,060	130	10.9	1,280	1,160	120	9.4
Walla Walla	25,770	24,190	1,580	6.1	27,200	25,670	1,530	5.6
Wenatchee Labor Area 3/	38,110	34,100	4,010	10.5	39,200	35,150	4,050	10.3
Whitman	14,320	13,910	410	2.9	16,030	15,540	490	3.1

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.

2/ Encompasses Benton and Franklin counties.

3/ Encompasses Chelan and Douglas counties.

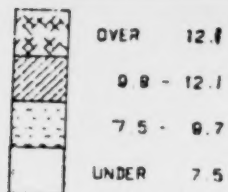
Note: Detail may not add due to rounding.

Labor Market and Economic Analysis Branch

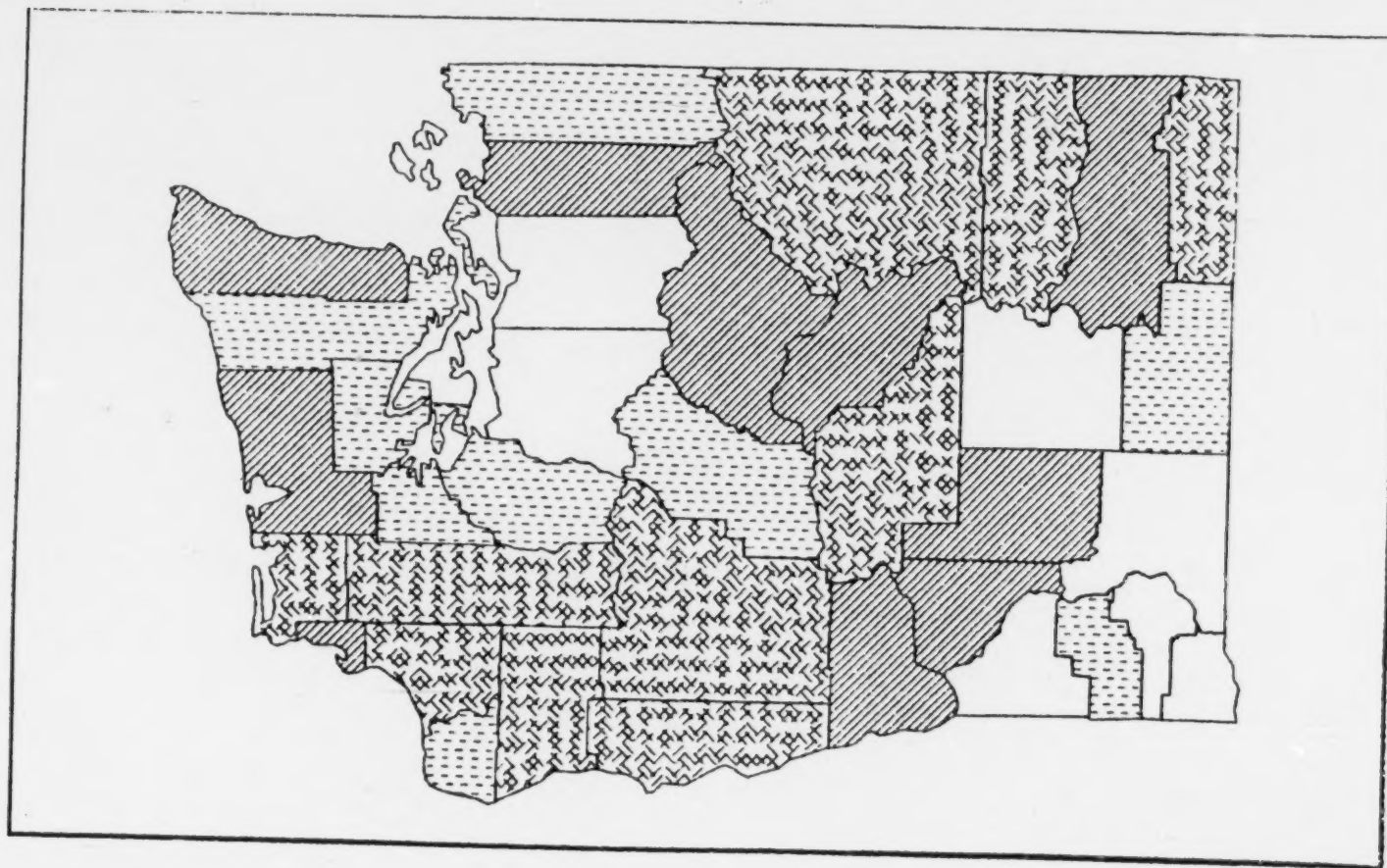
ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF
NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	JUL. 1985 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		JUL	JUN	JUL	JUL	JUN	JUL	JUL	JUN	JUL
		1985	1985	1984	1985	1985	1984	1985	1985	1984
TOTAL MANUFACTURING INDUSTRIES *	180,400	\$443.02	\$462.51	\$441.94	37.8	39.7	38.0	\$11.72	\$11.65	\$11.63
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products.....	34,800	404.26	481.11	412.56	34.7	40.6	36.0	11.65	11.85	11.46
Primary metal industries.....	9,200	512.42	507.05	555.41	39.6	39.8	39.9	12.94	12.74	13.92
Fabricated metal products.....	7,700	459.40	451.33	475.36	39.4	39.8	41.3	11.66	11.34	11.51
Machinery.....	16,400	370.63	396.42	344.86	37.4	40.7	35.7	9.91	9.74	9.66
Food & kindred products.....	24,500	348.94	356.82	355.67	37.2	37.6	37.4	9.38	9.49	9.51
Chemicals & allied products...	5,300	572.46	566.81	538.27	42.0	41.8	43.2	13.63	13.56	12.46
SELECTED NONMANUFACTURING INDUSTRIES										
Construction.....	65,100	597.80	600.41	596.78	37.2	37.2	36.5	16.07	16.14	16.35
Wholesale and retail trade....	259,100	322.83	326.88	318.77	34.9	35.3	34.8	9.25	9.26	9.16
(excludes eating & drinking places)										

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.



JULY UNEMPLOYMENT RATES





Washington State
Employment Security Department
Isiah Turner, *Commissioner*

Prepared by the
Labor Market and
Economic Analysis Branch
Olympia, WA 98504
(206) 753-5142

In cooperation with
the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 9, Number 9

September 1985

HIGHLIGHTS

Unemployment Rate At Five Year Low

Total unemployment in Washington State fell from 175,600 and 8.3 percent of the labor force in July to 161,700 and 7.7 percent in August. August marked the first time since 1980 that the jobless rate in the state was below 8.0 percent. Unemployment normally declines between July and August. Many school-age youth who enter the job market at the end of the school year fail to land a job drop and out of the labor market. Since they are no longer actively seeking work, they are not counted as unemployed. The July-August decline this year, however, was greater than normal and the seasonally adjusted rate fell from 8.5 to 8.1 percent.

	<u>Aug. 1985*</u> (Prel.)	<u>July 1985*</u> (Rev.)	<u>Aug. 1984</u>
Civilian			
Labor Force	2,106,200	2,115,400	2,055,200
Total Employment	1,944,500	1,939,800	1,875,800
Total Unemployment	161,700	175,600	179,400
State Unemployment Rate	7.7	8.3	8.7
National Civilian Unemployment Rate	6.9	7.4	7.3

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Total Employment Up 4,700

Total employment rose 4,700 over the month as a decline in seasonal agricultural work was more than offset by growth in nonfarm employment. The raspberry, strawberry, green pea and cherry harvests were completed in July, but thousands of workers remained employed on farms during August harvesting blueberries, pears, peaches, tomatoes, corn, squash, melons and other vegetables. September will see farm employment in Eastern Washington expand with the beginning of the apple harvest.

More Nonfarm Jobs

Employment in the nonagricultural industries rose 9,400 in August with 3,700 of the increase in manufacturing. A seasonal expansion in food processing provided most of the new manufacturing jobs followed by further growth in aerospace. In the nonmanufacturing industries, construction payrolls continued to advance with ideal weather for outdoor work, while retail trade and service employment expanded with tourist business at a peak summer level. Back-to-school sales provided an additional boost at retail outlets.

Tourists Create Jobs



68,700 New Jobs

A comparison of labor force statistics this August with August 1984 reflects to a strong and vigorous economy despite weakness in some manufacturing industries, specifically lumber, aluminum, and shipbuilding. Total employment in the state was up 68,700 over the year at mid-August. Nonagricultural wage and salary employment alone rose nearly 52,000 over the twelve-month period. The number of manufacturing jobs increased 4,900 with a gain of 9,100 jobs in aerospace more than offsetting losses of 2,900 in lumber, 700 in aluminum and 2,200 in "other transportation equipment"--mainly shipbuilding. Major growth in the nonmanufacturing industries was centered in retail trade (up 12,000), and services--hotels, medical services, business services, amusements, etc.--(up 16,300). Other expansions included public education (up 5,000) and construction (up 4,900).

Local Area Developments

Unemployment declined in nearly all counties of the state between July and August. Exceptions were the Wenatchee area (Chelan and Douglas counties) and Okanogan County. The completion of the cherry harvest and related processing activity resulted in unemployment moving up in August in both areas.

Seattle Leads Expansion

The unemployment rate in the Seattle Metropolitan Area of 6.4 percent in August was well below the state (7.7) and national (6.9) rates. Nearly 60 percent of the state's job growth over the year has occurred in the Seattle area largely due to the expansion in aerospace. Despite a gain of nearly 40,000 jobs over the year, however, unemployment in the Seattle area dropped only 4,600 because the employment expansion attracted new residents.

Unemployment has declined in most areas of the state over the year, but in some cases the reduction resulted partially from out-migration. In fact, 12 of the state's 39 counties lost population between 1984 and 1985. The largest drop occurred in Benton County where the population fell from 107,700 to 105,200. Benton County's population peaked at 113,400 in 1981 when work was under way on three nuclear plants. The area's population has declined every year since.

MANUFACTURING INDUSTRIES

Boeing Faces Stiff Competition

Canneries added 1,500 seasonal workers in August to help process peaches, pears, corn, beans, potatoes and other vegetables. Potato digging and processing, however, was slow because of depressed prices.

The aerospace expansion continued with employment moving up 900 in August. Boeing is facing increasing competition in the commercial airliner industry from Airbus Industrie. The European firm has already doubled its 1984 sales. The strength of the dollar relative to

European currencies gives Airbus a major advantage. Nonetheless, Boeing's aircraft orders for the first three quarters of 1985 totaled 156 compared with 133 for the corresponding period in 1984. The latest major order was for 19 Boeing 737-300s from Piedmont Airlines of Winston-Salem, North Carolina. The order was worth \$500 million.

Defense Business Big at Boeing

While competition heats up in the commercial aircraft field, Boeing's defense business is growing. Government business accounted for 40 percent of the firm's sales last year, up from 17 percent in 1980. Prime defense contract awards to Boeing totaled \$4.6 billion in 1984, making the firm the nation's fifth largest defense contractor.

Fabricated Metals Cooking

Fabricated metals employment rose 400 in August with employment up at firms producing structural steel and a seasonal expansion at firms manufacturing wood stoves. In pulp and paper, settlement of a labor dispute saw 300 workers return to work. Partially offsetting the gain, instruments dropped 200 because of a layoff at the John Fluke Manufacturing Company in Everett. The loss was related to the nationwide slowdown in the computer and semi-conductor industries.

Layoff In Instruments

Aluminum Prices Depressed

Aluminum employment was unchanged between July and August, but the price of primary aluminum continued to fall. The price in September was 44 cents a pound, down from 55 cents last December. New orders for aluminum have been increasing and the supply of aluminum has declined because of production cutbacks, but the reduction in inventories has not been sufficient to prop up prices yet. Inventories have dropped 5 percent this year. According to one analyst, a further 5 percent reduction will be required to increase the current price.

Layoffs Expected At Weyerhaeuser

Lumber employment was also unchanged between July and August, but down 2,900 over the year. Reorganization of The Weyerhaeuser Company is expected to result in layoffs at the firm's headquarters in the Tacoma area. A number of divisions will be consolidated in the reorganization, resulting in job duplications. Layoffs are expected this fall as the reorganization takes effect. The company's employment in Washington was reported to be 10,398, compared with a peak of 12,266 in 1981. Explaining the permanent closure of some Weyerhaeuser plywood plants, a company spokesman said employee co-ops and non-union mills can produce plywood at a cost 40 percent less than large manufacturers with union contracts.

Tacoma Boat Files For Bankruptcy

The Tacoma Boatbuilding Company filed for Chapter 11 bankruptcy in late September. The firm is one of Tacoma's largest manufacturing employers. The move could provide the firm time to reorganize its financial structure,

redirect its business, and allow it to become profitable again. Meanwhile, the company expects to complete its existing contracts which include two gunboats for the Royal Thai Navy, two toxic waste incinerator ships, and several submarine tracking vessels for the Navy.

NONMANUFACTURING INDUSTRIES

Construction - Going Up

Employment in the building trades added 1,400 in August and was up 4,900 over the year. Building permit data for Washington State collected by F. W. Dodge show an increase in permits in July and August for single-family houses. Cumulatively, however, the number for the first eight months of this year is down 6 percent from the comparable period in 1984. Offsetting the lower totals for single family homes, the number of dwelling units in apartment buildings for which permits were issued so far this year were up 29 percent from the first eight months of 1984.

The major expansion in construction work over the year, however, has been in commercial buildings and street-highway-bridge work. The cumulative value of permits issued for commercial buildings this year was up 31 percent year-to-year, while the value of work on street, highway, and bridge projects through August of 1985 was up 56 percent from the comparable period in 1984.

Tourist Business Up

Employment in retail trade rose 1,800 in August, while services payrolls advanced 2,000. A major factor in both gains was increasing tourist business. Nearly one-third of the gain in retail trade was at eating and drinking places. Other factors boosting retail trade payrolls were back-to-school shopping and the opening of a new shopping mall in Kitsap County. Over one-half of the increase in services was in amusement and recreation (carnivals, fairs, bowling, etc.) and at hotels and motels. Firms which provide temporary workers to other businesses also expanded in August, but employment at hospitals declined.

Fair Provides Temporary Jobs

Retail trade and service employment will also increase in September because of the opening of the Western Washington Fair in Puyallup. This fair is one of the largest in the nation and provides thousands of temporary jobs during its 17-day run.

NATIONAL CONTEXT

Protectionist Measures Would Have Mixed Impact On Jobs

Protectionist measures now before Congress are designed to prevent further loss of U.S. jobs by soaring imports of low-cost goods. This would help protect jobs in some of the state's manufacturing industries, at least in the short term. If these measures become law, however, they could also cost Washington State thousands of jobs in

other areas. Washington is the most dependent state in the nation on foreign trade because of the large volume of goods passing through its ports. Whether the goods are going to or coming from Japan and other Pacific Rim nations, foreign trade creates thousands of jobs in distributing and related activities. Washington State is also highly dependent on foreign markets for the sale of its logs, wheat, airplanes and other goods. Protectionist measures by the U.S. would likely trigger counter moves by foreign nations, restricting U.S. sales which could offset the jobs gained by limiting imports to the U.S.

In an effort to prevent a possible trade war resulting from protectionist measures, the U.S., West Germany, Japan, Britain and France have launched a program to force down the value of the dollar in relation to other currencies. If successful, it would make foreign goods more expensive in the U.S. and U.S. goods less expensive abroad, thus, improving the U.S. balance of trade. The plan involves coordinated central-bank sales of dollars in foreign-exchange markets in return for British, German, French and Japanese currencies.

Economic Indicators-- Looking Up

The Index of Leading Economic Indicators rose 0.7 percent in both July and August, according to the U.S. Department of Commerce, to post its largest gains since February. Indicators contributing to the August rise in the Index were building permits, average manufacturing work week and manufacturers' new orders for consumer goods and materials.

Housing Start Up

National housing starts rose 6.2 percent in August, the largest increase in five months. Most of the gain, however, was in the construction of apartments which rose 12.4 percent. By contrast, starts on single-family houses were up only one percent.

Spending Higher Savings Down

The U.S. Commerce Department reported that spending rose 1.2 percent in August, the largest gain in nearly a year. Increased auto sales were responsible for a large part of the rise. Auto sales were also up in September, but are expected to fall in October because of higher prices for new models and the end of financing incentives. In addition, many analysts question whether the expansion in spending will continue because of slow growth in personal income. The spending gain in August came at the expense of savings. The personal savings rate fell to 2.8 percent, the lowest level since 1959--when the government began keeping monthly statistics on savings.

LABOR SURPLUS AREAS

The U.S. Department of Labor has designated "Labor Surplus Areas" for the Federal Fiscal Year beginning October 1, 1985 and ending September 30, 1986. Employers in labor surplus areas are eligible for preference in federal contract bids if they agree to perform at least 51 percent of the contract work within such areas.

The purpose of identifying labor surplus areas is to channel federal government procurement dollars into communities with high unemployment. All counties and cities, with populations of at least 50,000, are eligible for the classification provided their average unemployment rate has been above a certain level in the last two complete calendar years.

To be classified as a labor surplus area for the October 1, 1985 - September 30, 1986 period, an area needed an average unemployment rate of at least 10 percent for the 24-month period of January 1983 through December 1984. An exceptional circumstances provision, however, allows the U.S. Department of Labor to classify other areas as labor surplus areas if unemployment rises substantially because of recent developments such as plant closures, contract cancellations, natural disasters, and other unforeseen circumstances.

The following table identifies current labor surplus areas in Washington State.

LABOR SURPLUS AREAS
ELIGIBLE FOR FEDERAL PROCUREMENT PREFERENCE
FROM OCTOBER 1, 1985 THROUGH SEPTEMBER 30, 1986

ELIGIBLE LABOR SURPLUS AREAS

CIVIL JURISDICTIONS INCLUDED

WASHINGTON STATE

Adams County
Benton County
Chelan County
Clallam County
Clark County
Columbia County
Cowlitz County
Douglas County
Everett City
Ferry County
Franklin County
Grant County
Grays Harbor County
Jefferson County
Kittitas County
Klickitat County
Lewis County
Mason County
Okanogan County
Pacific County
Pend Oreille County
Balance of Pierce County
Skagit County
Skamania County
Stevens County
Tacoma City
Thurston County
Wahkiakum County
Whatcom County
Yakima County

Adams County
Benton County
Chelan County
Clallam County
Clark County
Columbia County
Cowlitz County
Douglas County
Everett City In Snohomish County
Ferry County
Franklin County
Grant County
Grays Harbor County
Jefferson County
Kittitas County
Klickitat County
Lewis County
Mason County
Okanogan County
Pacific County
Pend Oreille County
Pierce County Less Tacoma City
Skagit County
Skamania County
Stevens County
Tacoma City in Pierce County
Thurston County
Wahkiakum County
Whatcom County
Yakima County

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	<u>INDEXES</u>			<u>PERCENT CHANGE</u>	
	Aug. <u>1985</u>	July <u>1985</u>	Aug. <u>1984</u>	<u>Year Ending</u>	
				Aug. <u>1985</u>	July <u>1985</u>
U.S. City Average	323.5	322.8	313.6	+3.4	+3.6
Seattle-Everett	N/A	322.0	N/A	N/A	+2.4

AREA WAGE SURVEY
REPORTS AVAILABLE
FOR THE WALLA WALLA
LABOR AREA AND
WHATCOM COUNTY

The Wage Analysis Unit of the Labor Market and Economic Analysis Branch recently completed Occupational Wage Surveys for the Walla Walla Labor Area and Whatcom County. The survey reports present wage ranges and averages for clerical, managerial, professional, technical and general occupations. The reports are available on request from Labor Market and Economic Analysis, P.O. Box 46502, Seattle, Washington 98146. Phone (206) 764-6453.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED					Numerical Change	
	Aug. 1985 (Prel.)	Jul. 1985 (Rev.)	Aug. 1984 (Rev 4/)	Jul. 1984 (Rev 4/)	Jul. 85 to Aug. 85	Aug. 84 to Aug. 85
TOTAL NONAG. WAGE AND SALARY.	1,695.6	1,686.2	1,643.7	1,634.9	+9.4	+51.9
TOTAL MANUFACTURING.....	295.9	292.2	291.0	286.9	+3.7	+4.9
Durable Goods.....	203.5	202.1	200.3	198.8	+1.4	+3.2
Lumber & Wood Products....	38.5	38.5	41.4	41.7	0.0	-2.9
Furniture & Fixtures.....	3.1	3.1	3.3	3.3	0.0	-0.2
Stone Clay & Glass Prod....	6.6	6.4	6.8	6.6	+0.2	-0.2
Primary Metal Industries..	12.0	12.0	13.0	13.2	0.0	-1.0
Aluminum Prod. & Proc.....	7.8	7.8	8.5	8.4	0.0	-0.7
Fabricated Metal Prod.....	10.9	10.5	9.9	9.9	+0.4	+1.0
Machinery.....	27.5	27.5	27.9	27.7	0.0	-0.4
Machinery exc. Elect.....	15.5	15.5	16.3	16.1	0.0	-0.8
Electrical & Electronic..	12.0	12.0	11.6	11.6	0.0	+0.4
Transportation Equipment..	90.0	89.0	83.1	81.6	+1.0	+6.9
Aerospace.....	77.0	76.1	67.9	66.5	+0.9	+9.1
Other Transp. Equip.....	13.0	12.9	15.2	15.1	+0.1	-2.2
Instruments & Rel. Prod...	10.4	10.6	10.3	10.3	-0.2	+0.1
Misc. Manufacturing Ind...	4.5	4.5	4.6	4.5	0.0	-0.1
Nondurable Goods.....	92.4	90.1	90.7	88.1	+2.3	+1.7
Food & Kindred Products...	33.4 3/	31.6	33.2	31.0	+1.8	+0.2
Canned & Preserved Foods.	13.9	12.4	12.6	10.8	+1.5	+1.3
Apparel & Other Text.Prod.	6.4	6.3	6.4	6.3	+0.1	0.0
Paper & Allied Products...	16.5	16.2 3/	16.7	16.7	+0.3	-0.2
Printing & Publishing.....	17.0	17.1	16.7	16.6	-0.1	+0.3
Chemicals & Allied Prod...	11.5	11.4	10.3	10.3	+0.1	+1.2
Other Nondurable Goods 2/.	7.6	7.5	7.4	7.2 3/	+0.1	+0.2
MINING & QUARRYING.....	2.9	2.8	2.8	2.8	+0.1	+0.1
CONSTRUCTION.....	88.1	86.7	83.2	81.8	+1.4	+4.9
TRANS. & PUBLIC UTILITIES...	93.1	92.8	92.3	92.1	+0.3	+0.8
WHOLESALE & RETAIL TRADE...	424.0	422.1	409.2	408.1	+1.9	+14.8
Wholesale Trade.....	106.6	106.5	103.8	104.1	+0.1	+2.8
Retail Trade.....	317.4	315.6	305.4	304.0	+1.8	+12.0
FIN. INS. & REAL ESTATE....	98.2	98.0	95.8	95.8	+0.2	+2.4
SERVICES.....	369.6	367.6	353.3	351.8	+2.0	+16.3
GOVERNMENT.....	323.8	324.0	316.1	315.6	-0.2	+7.7
Federal.....	71.0	71.1	71.3	70.8	-0.1	-0.3
State & Local.....	252.8	252.9	244.8	244.8	-0.1	+8.0
Education.....	115.0	117.7	110.0	111.3	-2.7	+5.0
(WORKERS IN LABOR-MANAGEMENT DISPUTES).....	0.2	0.4	0.0	0.2	-0.2	+0.2

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

4/ Revised in May 1985 due to corrections involving Education. The 1983 and 1984 annual tables have been revised and are available.

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: September 26, 1985
Benchmark: 1984

(Not Seasonally Adjusted)

	August 1985 Preliminary 1/				July 1985 Revised 1/				August 1984 Revised			
	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate	Labor Force	Employment	Unemploy- ment	Unemp. Rate
Washington State Total	2,106,200	1,944,500	161,700	7.7	2,115,400	1,939,800	175,600	8.3	2,055,200	1,875,800	179,400	8.7
Bellingham MSA	53,700	49,500	4,200	7.8	54,700	49,800	4,900	9.0	50,000	45,200	4,800	9.6
Bremerton MSA	65,600	61,700	3,900	5.9	65,100	61,000	4,100	6.3	64,000	59,800	4,200	6.6
Olympia MSA	61,100	56,400	4,700	7.7	61,700	56,400	5,300	8.6	59,500	54,000	5,500	9.2
Seattle PMSA	950,000	889,400	60,600	6.4	951,500	886,800	64,700	6.8	915,000	849,800	65,200	7.1
Spokane MSA	159,300	147,700	11,600	7.3	160,000	147,700	12,300	7.7	156,700	144,800	11,900	7.6
Tacoma PMSA	196,000	179,600	16,400	8.4	196,000	178,600	17,400	8.9	190,300	172,700	17,600	9.2
Tri-Cities MSA 2/	71,400	65,200	6,200	8.7	72,100	64,800	7,300	10.1	72,400	62,700	9,700	13.4
Vancouver PMSA	95,300	87,000	8,300	8.7	95,300	86,500	8,800	9.2	92,200	84,000	8,200	8.9
Yakima MSA	86,800	76,200	10,600	12.2	88,500	76,500	12,000	13.6	86,600	75,400	11,200	12.9
Adams	7,250	6,540	710	9.8	7,430	6,590	840	11.3	7,140	6,390	750	10.5
Asotin	8,040	7,440	600	7.5	8,020	7,420	600	7.5	8,130	7,490	640	7.9
Clallam	18,900	17,090	1,810	9.6	19,370	17,060	2,310	11.9	19,960	17,680	2,280	11.4
Columbia	1,990	1,810	180	9.0	2,260	2,050	210	9.3	1,710	1,530	180	10.5
Cowlitz	32,440	28,580	3,860	11.9	32,990	28,800	4,190	12.7	32,630	28,900	3,730	11.4
Ferry	2,560	2,300	260	10.2	2,660	2,330	330	12.4	2,510	2,170	340	13.5
Garfield	1,170	1,110	60	5.1	1,210	1,140	70	5.8	1,210	1,130	80	6.6
Grant	23,860	21,430	2,430	10.2	24,010	20,990	3,020	12.6	23,230	20,450	2,780	12.0
Grays Harbor	28,580	25,740	2,840	9.9	28,820	25,690	3,130	10.9	29,800	25,550	4,250	14.3
Island	17,070	15,960	1,110	6.5	17,000	15,720	1,280	7.5	15,590	14,370	1,220	7.8
Jefferson	6,830	6,340	490	7.2	6,840	6,270	570	8.3	6,840	6,310	530	7.7
Kittitas	10,550	9,740	810	7.7	10,190	9,250	940	9.2	10,530	9,470	1,060	10.1
Klickitat	6,990	6,210	780	11.2	6,590	5,670	920	14.0	7,230	6,250	980	13.6
Lewis	23,250	20,790	2,460	10.6	23,840	20,900	2,940	12.3	23,960	21,040	2,920	12.2
Lincoln	4,640	4,460	180	3.9	4,610	4,400	210	4.6	4,570	4,390	180	3.9
Mason	11,910	11,030	880	7.4	12,150	11,030	1,120	9.2	10,950	9,940	1,010	9.2
Okanogan	14,940	12,490	2,450	16.4	14,960	12,600	2,360	15.8	16,240	13,370	2,870	17.7
Pacific	6,820	5,890	930	13.6	6,800	5,870	930	13.7	7,360	6,100	1,260	17.1
Pend Oreille	4,060	3,490	570	14.0	4,090	3,480	610	14.9	4,340	3,890	450	10.4
San Juan	4,940	4,740	200	4.0	4,790	4,570	220	4.6	4,750	4,560	190	4.0
Skagit	35,620	32,260	3,360	9.4	37,750	34,080	3,670	9.7	34,590	30,500	4,090	11.8
Skamania	2,710	2,360	350	12.9	2,750	2,370	380	13.8	2,560	2,180	380	14.8
Stevens	11,710	10,400	1,310	11.2	11,690	10,330	1,360	11.6	12,130	10,630	1,500	12.4
Wahkiakum	1,190	1,050	140	11.8	1,210	1,070	140	11.6	1,200	1,040	160	13.3
Walla Walla	25,900	24,250	1,650	6.4	25,970	24,280	1,690	6.5	25,080	23,340	1,740	6.9
Wenatchee Labor Area 3/	38,500	33,960	4,540	11.8	38,180	33,900	4,280	11.2	38,440	33,450	4,990	13.0
Whitman	14,720	14,330	390	2.6	14,440	14,000	440	3.0	15,710	15,220	490	3.1

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

2/ The Tri-Cities MSA encompasses Benton and Franklin Counties.

3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

NOTE: Detail may not add due to rounding.

(Not Seasonally Adjusted)

	August 1985 Preliminary 1/				July 1985 Revised 1/			
	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate	Labor Force	Employ- ment	Unemploy- ment	Unemp. Rate
Washington State Total	2,088,000	1,937,000	151,000	7.2	2,108,400	1,942,100	166,300	7.9
Bellingham MSA	53,400	49,400	4,000	7.5	54,500	49,900	4,600	8.4
Bremerton MSA	65,100	61,500	3,600	5.5	64,900	61,000	3,900	6.0
Olympia MSA	60,400	56,100	4,300	7.1	61,400	56,400	5,000	8.1
Seattle PMSA	942,500	886,000	56,500	6.0	949,100	887,800	61,300	6.5
King County	740,400	697,000	43,400	5.9	745,400	698,400	47,000	6.3
Snohomish County	202,100	189,000	13,100	6.5	203,700	189,400	14,300	7.0
Spokane MSA	158,000	147,200	10,800	6.8	159,500	147,800	11,700	7.3
Tacoma PMSA	194,300	179,000	15,300	7.9	195,300	178,800	16,500	8.4
Tri-Cities MSA 2/	70,700	64,900	5,800	8.2	71,800	64,900	6,900	9.6
Vancouver PMSA	94,500	86,700	7,800	8.3	95,000	86,600	8,400	8.8
Yakima MSA	85,800	75,900	9,900	11.5	87,900	76,600	11,300	12.9
Adams	7,180	6,520	660	9.2	7,390	6,590	800	10.8
Asotin	7,970	7,410	560	7.0	7,990	7,430	560	7.0
Clallam	18,710	17,020	1,690	9.0	19,270	17,080	2,190	11.4
Columbia	1,970	1,800	170	8.6	2,250	2,050	200	8.9
Cowlitz	32,070	28,470	3,600	11.2	32,800	28,830	3,970	12.1
Ferry	2,540	2,290	250	9.8	2,640	2,330	310	11.7
Garfield	1,160	1,100	60	5.2	1,210	1,140	70	5.8
Grant	23,610	21,340	2,270	9.6	23,870	21,010	2,860	12.0
Grays Harbor	28,290	25,640	2,650	9.4	28,680	25,720	2,960	10.3
Island	16,930	15,890	1,040	6.1	16,950	15,740	1,210	7.1
Jefferson	6,780	6,320	460	6.8	6,810	6,270	540	7.9
Kittitas	10,450	9,700	750	7.2	10,150	9,260	890	8.8
Klickitat	6,920	6,190	730	10.5	6,540	5,670	870	13.3
Lewis	23,000	20,710	2,290	10.0	23,700	20,920	2,780	11.7
Lincoln	4,610	4,440	170	3.7	4,610	4,410	200	4.3
Mason	11,810	10,990	820	6.9	12,100	11,040	1,060	8.8
Okanogan	14,740	12,450	2,290	15.5	14,840	12,610	2,230	15.0
Pacific	6,740	5,870	870	12.9	6,760	5,880	880	13.0
Pend Oreille	4,010	3,480	530	13.2	4,070	3,490	580	14.3
San Juan	4,910	4,720	190	3.9	4,780	4,580	200	4.2
Skagit	35,260	32,130	3,130	8.9	37,600	34,120	3,480	9.3
Skamania	2,680	2,350	330	12.3	2,740	2,380	360	13.1
Stevens	11,590	10,360	1,230	10.6	11,640	10,350	1,290	11.1
Wahkiakum	1,180	1,050	130	11.0	1,200	1,070	130	10.8
Walla Walla	25,700	24,160	1,540	6.0	25,910	24,300	1,610	6.2
Wenatchee Labor Area 3/	38,070	33,830	4,240	11.1	38,000	33,940	4,060	10.7
Whitman	14,640	14,280	360	2.5	14,420	14,010	410	2.8

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.

2/ Includes Benton and Franklin counties.

3/ Includes Chelan and Douglas counties.

Note: Detail may not add due to rounding.

Labor Market and Economic Analysis Branch



OVER 11.1

8.7 - 11.1

7.3 - 8.6

UNDER 7.3

AUGUST
UNEMPLOYMENT
RATES

